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Further on APEC Draft Declaration on Free Trade

OW1511032494 Tokyo KYODO in English 0316 GMT 15 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Bogor, Indonesia, Nov. 15 KYODO—Leaders from the Asia-Pacific Economic Cooperation (APEC) forum began a one-day meeting Tuesday [15 November] in this resort town near Jakarta to search for ways of introducing a free trade system in the Asia-Pacific region.

The informal summit, the second of its kind since the Seattle gathering last year, marks a big political occasion for Indonesian President Suharto, the meeting's host, who has staked a lot on its success. The summit is being held at the Bogor palace, the summer residence of the Indonesian president.

At the closing of the day's session, Suharto is expected to issue a declaration that sets 2020 as a deadline for freeing trade and investment in all goods and services in the Asia-Pacific area, conference officials said.

The draft declaration, a copy of which was obtained by KYODO News Service, states that leaders from the 18-member APEC "agree to announce our commitment to complete the achievement of our goal of free and open trade and investment in Asia-Pacific no later than the year 2020." The APEC leaders will be trying to fine-tune a scenario for transforming the booming Asia-Pacific area, which accounts for nearly half of world production, into a free trade zone.

The draft calls for "the pace of implementation" to take into account "the differing levels of economic development among APEC economies." Developing countries should achieve the free trade target by 2020, with developed and newly industrializing countries taking the lead by 2010, the draft states.

The draft is basically in line with a vision earlier crafted by Suharto, according to the officials. Whether or not a time framework should be included in the Bogor declaration has been a hot issue. The United States and Australia have been pushing for a specific target date for achieving a free trade zone, while Malaysia has opposed setting such a target.

The draft states the leaders' "strong opposition to the creation of an inward-looking trading bloc that would divert from the pursuit of global free trade." It also said benefits from freeing trade should be "not only the actual reduction of barriers among APEC economies but also between APEC countries and non-APEC countries.

"In this respect, we will give particular attention to our trade with non-APEC developing countries to ensure that they will also benefit from our trade and investment liberalization in conformity with the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO)."

The statement indicates APEC plans to achieve free trade on an unconditional or most-favored-nation basis, the concept adopted under GATT rules, instead of a conditional or reciprocal basis.

A report prepared by the Eminent Persons Group (EPG), an APEC advisory group as a basis for discussion at the summit, listed two approaches, giving each equal importance. The U.S. and Japan have been at odds over which approach should be taken when free trade benefits are to be extended to nonmembers. Washington favors conditional liberalization while Tokyo is pushing for the unconditional GATT-consistent approach.

As for a time frame for achieving APEC trade freedom, it will be difficult to drastically revise the latest draft, such as deleting the proposed 2020 deadline from the declaration, conference sources said. APEC countries which are strongly against setting a time may agree to include the 2020 deadline in return for winning commitment to make the target year nonbinding, the sources said.

On Monday, Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton agreed to lend support to Suharto's initial proposal. China, which had been reticent about introducing a time target, shifted to the U.S. camp Monday.

Some members, including Hong Kong, have been advocating trade liberalization "from tomorrow." Prime minister Mahathir Mohamed of Malaysia, which spearheads the opposition camp, arrived in Jakarta on Monday and met with Suharto. But he declined to comment on the talks.

A joint statement issued after a meeting of APEC ministers held in Jakarta on Friday and Saturday as a prelude to the Bogor summit fell short of reaching a consensus on the issue, leaving the task to Tuesday's meeting of APEC leaders.

Chilean President Signs Document Joining APEC

PY1511182794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 15 Nov 94

[FBIS Translated Excerpt] Today President Eduardo Frei signed the document by which Chile joins the powerful economic alliance of Asian-Pacific countries. [passage omitted]

Aside from the free trade issue, Frei talked to the APEC [Asia-Pacific Economic Cooperation] leaders about the need to establish fluid cooperation for development in the infrastructure and science and technology fields.

Suharto Speaks at APEC Leaders Meeting

BK1511101794 Jakarta TVRI Television Network in Indonesian 0840 GMT 15 Nov 94

[Statement by Indonesian President Suharto at the conclusion of the APEC Economic Leaders Meeting in

Bogor, Indonesia followed by questions from journalists—live, in Indonesian with passage-by- passage translation into English]

[FBIS Translated Text] [Suharto] Peace be upon you! Ladies and gentlemen of the press, honorable journalists: First of all, I would like to extend my heartiest thanks for your kind attention in covering this meeting of the APEC [Asia-Pacific Economic Cooperation] economic leaders in Bogor on 15 November 1994. Today the 18 APEC leaders held an informal meeting in a frank and open manner in a continuation of the first AELM [APEC Economic Leaders Meeting] on Blake Island, Seattle in the United States, which produced a common vision on closer economic cooperation among Asia- Pacific countries.

In Bogor, we have set the course and the direction of future economic cooperation in the Asia-Pacific in particular and in the world in general. If we recall the time of the meeting in Blake Island, the world was still faced with uncertainty about the results of the Uruguay Round negotiations. Now, in Bogor, we are faced with the situation where we still must sign the Uruguay Round treaty, namely GATT 1994, that will lead to the establishment of the World Trade Organization [WTO]. This is the opportunity seized by the AELM, namely, to set the course for achieving open and free trade as well as trade liberalization, investment, and economic cooperation based on the principles of GATT and the WTO.

The AELM has also agreed upon the ideal, the constitutional basis, and the operational basis to ensure economic cooperation among the Asia-Pacific countries. The ideal is partnership and mutual benefit, the constitutional basis is the GATT and WTO agreements, and the operational basis is that the strong countries should help the weak ones.

In order to sustain continued cooperation, we have underlined closer cooperation in the following fields: The development of human resources; the development of economic infrastructure; science and technology; the environment; the advancement of small and medium businesses; and active participation by the private sector.

The long-term objective of intensifying closer trade and investment cooperation in the Asia-Pacific region is to have open and free trade and investment in the Asia-Pacific region. The developed countries will achieve this objective no later than 2010 and the developing countries no later than 2020.

What I have just stated is actually already included in the Declaration of Common Resolve of the APEC leaders.

The forthcoming meeting of the economic leaders will be held in Japan in 1995.

The APEC economic leaders have also instructed the ministers and officials to make recommendations and preparations that will eventually be submitted to their leaders.

A number of initiatives have been adopted by the APEC economic leaders that will be included in a list called the Leaders Initiatives.

That is my statement and on behalf of the APEC economic leaders. I would like to express my heartiest thanks. Now I am open to questions.

[Pattirajawane] Mr. President, I am Rene Pattirajawane from the daily KOMPAS. I am representing the Indonesian journalists here. Here is my question: Can the success in reaching a political commitment to a free and fair trade and investment area in the Asia-Pacific region be used to develop North-South dialogue?

[Suharto] Thank you for the question. I believe you can see that the APEC Economic Leaders Meeting has promoted North-South dialogue. There are developed or industrialized nations as well as developing nations in APEC. Of the 18 members, the United States, Japan, Canada, New Zealand, and Australia are developed countries; Singapore, Korea, Hong Kong, and Taiwan are newly industrialized countries; while the rest are developing countries. The Jakarta message issued at the Nonaligned Summit instructed the chairman of the Nonaligned Movement to reactivate the North-South dialogue, and this decision has been endorsed by the United Nations. We have to undertake North-South dialogue. APEC has pioneered North-South dialogue. Thank you.

[Unidentified moderator, in English] The second question, representing North America.

[Shareen, in English] I am Elaine Shareen from THE NEW YORK TIMES. Mr. President, two questions. The issue of East Timor has been raised on the fringes of the APEC summit. How do you intend to resolve this issue once and for all? And second, there has been much discussion among the nations of APEC about the difference between Asian and Western values and the different standards for human rights. Is that a valid subject for discussions? Thank you.

[Suharto] I think that the second question pertains to human rights and values. We did not discuss the matter here. The AELM, however, reflects a dialogue on the matter. Despite our differences, we treat the matter on the basis of the principles of mutual respect and mutual benefit. Therefore, issues that may arise can be discussed not for the sake of making any corrections, but rather for the sake of helping one another.

Please repeat your first question.

[Shareen, in English] My first question was that the issue of East Timor has come up on the fringes of the APEC summit, and we would like to know if you can tell us how you plan to resolve this issue once and for all. Thank you.

[Suharto] I think that more time will be needed to answer the question.

[Moderator, in English] Thank you very much. May I invite the press from Latin America? Mr. Francisco Jarra? Where are you, Mr. Francisco? Okay, we go to questions from Australia.

[Unidentified correspondent, in English] Mr. President, you refer to the strong states helping the weak. Could you tell us something of the discussions you had on that issue and what are the areas of difference or the areas of development you will be looking to discuss when you met again in 12 months' time?

[Suharto] The APEC economic leaders have assigned their ministers to determine what we must do, and the ministers will discuss the implementation of programs in detail.

[Moderator, in English] May I now invite the representative from Japan?

[Hashiri, in English] My name is Makoto Hashiri from the Japanese daily newspaper YOMIURI SHIMBUN. Mr. President, please allow me to ask a question which would require a little bit of imagination of Your Excellency. Imagine that today 15 November 2020. How do you describe the world in 2020? Please give us a kind of adjectives or a set of words which would best describe 2020, because I feel that now the destination is clear; a set of principles has been set. But because of my lack of imagination, I can't imagine what the world is going to be like. Since you have the experience of developing this country for more than 25 years, maybe you have a good idea about, or good words to describe 2020. And also, since I am representing the Japanese media, I would also like to ask you again a set of words or adjectives to describe the role of Japan in the Asia-Pacific area. [passage indistinct]

Thank you very much.

[Suharto] Thank you. Clearly, I can say that we are determined to achieve a better future or welfare for our peoples. I hope you will survive to experience that era. Thank you.

[Moderator, in English] May I now invite a press representative from Europe, please? From Europe, all right?

[Suharto] Perhaps he or she has gone home.

[Moderator, in English] Thank you. Well, now let's proceed to the People's Republic of China. May I have representative from China, please? No questions? All right, now go to the last question from ASEAN?

[Suphaphon, in English] My name is Suphaphon from the BANGKOK POST. President Suharto, please: First, what concrete assurance can you give that APEC's intention to give priority to global liberalization through open regionalism is not just an empty word? And secondly, in light of this rapid development of APEC, should ASEAN speed up the implementation of AFTA [ASEAN Free Trade Area]? Thank you.

[Suharto] Well, we must work hard and make correct plans on the basis of correct estimations. There has been progress on AFTA, because we can now expect AFTA to be achieved in 2003 instead of 2008 as originally planned. Thus, if the implementation of AFTA can be speeded up, I think the same thing will also happen to APEC.

[Moderator, in English] Thank you very much. I heard that there was just one final question from the press there, from a non-APEC country. Thank you.

[Mumenin, in English] I am Muhamad Mumenin from MEBC, Middle East Broadcasting Center. Mr. President, in the last few years we have witnessed a measured development in the structure of world trade. There are so many regional groupings. To name just few, we have the EU, we have the NAFTA, we have the APEC. Are you confident, Mr. President, that APEC will reinforce the multilateral trade agreement and system which has been mentioned—GATT—or will it be just yet another regional closed grouping? Thank you.

[Suharto] That is not the case. As I said earlier, the constitutional basis of APEC is GATT/WTO. Thus, we want to prove that APEC will be able to realize its goals. I hope that you will also be able to see the results of APEC's moves. We are not a closed regional organization. We would like to conduct free trade not only in the Asia-Pacific region but also with other countries in the world.

[Moderator, in English] Thank you very, very much again for all your cooperation. With respect to any question you may wish to address to the other leaders, we of course encourage you to take full advantage of other venues apart from Bogor. Thank you very much again.

[Suharto, in English] Thank you very much. [applause]

Japanese Prime Minister Holds News Conference

Murayama Statement

OW1511160494 Tokyo NHK General Television Network in Japanese 1316 GMT 15 Nov 94

[Statement by Japanese Prime Minister Tomiichi Murayama at a news conference with domestic and foreign correspondents after the APEC summit meeting in Indonesia—live]

[FBIS Translated Text] [Unidentified Japanese official] I am sorry to keep you waiting. We will now hold a news conference by the prime minister with Japanese and foreign correspondents. At the outset of this news conference, the prime minister will make a statement.

[Murayama] Thank you very much for your trouble. I believe that the informal summit meeting of the Asia-Pacific Economic Cooperation [APEC] forum was an important and constructive meeting which set a framework for developing the economy in the Asian and Pacific region, as well as the world economy as a whole. The declaration released just a while ago set the basic direction of strengthening the diversified and free trade regime, promoting and liberalizing trade and investment, and promoting development cooperation in the region. I believe the declaration is significant.

Regarding the liberalization of trade and investment, which was high on the agenda of the APEC informal summit meeting, the declaration expressed a political will to move in this general direction. As for the question of how to promote liberalization, an agreement was reached in the informal summit meeting that APEC member nations will study and discuss it. I think that as a nation which is to host next year's APEC meetings, Japan should vigorously work on formulating a joint action guideline. At the informal summit meeting, I stressed the importance of promoting the liberalization of trade and investment and cooperating in the development stage, and proposed that APEC members cooperate with each other for those purposes. I also stressed that the APEC member nations should cooperate with each other in fostering small and medium-sized enterprises, promoting the security of energy, increasing economic growth, and protecting the environment.

Next year, Japan will host the APEC meetings. In Osaka, an informal summit meeting and ministerial talks will be held. I intend to work harder for the further development of APEC.

I would like to express my heartfelt gratitude and respect to President Suharto for displaying extraordinary leadership while presiding over the APEC informal summit meeting. I also would like to express my gratitude to Indonesian Government officials and citizens in Bogor and Jakarta and the Indonesian people for warmly greeting us. This ends my statement.

Question & Answer Session

OW1611050294 Tokyo NHK General Television Network in Japanese 1316 GMT 15 Nov 94

[News conference by Japanese Prime Minister Tomiichi Murayama with foreign and domestic correspondents after the APEC summit meeting in Indonesia—live]

[FBIS Translated Text] [Unidentified Japanese official] We would now like to start the question-and-answer session. The session will end at 2045 [1345 GMT]. Please take that into consideration. The first question will be taken from the Japanese press corps accompanying the prime minister on this event.

[Nishigawa] I am Nishigawa of JIJI News Service. I have two questions. One concerns the liberalization of trade and investment. In the leaders' meeting today, an agreement was reached on achieving liberalization by 2020. But all nations have their own unique conditions and problems—Japan has one with its agriculture, for instance. What is your view of the effect of such problems on achieving the liberalization goal? That is my first question. The other question concerns a bill on the ratification of the WTO [World Trade Organization] which is pending in the Diet. Some in the ruling parties are said to be in favor of putting off action on ratifying it. What is your position in this regard? That is the second question.

[Murayama] To respond to your first question concerning the liberalization of trade and investment, I wish to note that the Declaration presents the general direction. But detailed plans will need to be worked out by ministers and the secretariat officials. The issues referred to by you need to be discussed fully in the process of formulating the plans. That is my understanding.

Japan, being next year's host country for the APEC forum, will need to come up with something like action guidelines defining what areas need to be liberalized and how the liberalization should be pursued. Japan has problems in agriculture and other areas but it is not an exception and all countries have their own unique problems. I think that we must have thorough discussions during the course of preparing the plans—on the question of how to achieve liberalization including how to deal with such problems.

Next, as for the WTO treaty—on which the Diet deliberations will begin soon—that the treaty will become effective on 1 January 1995 is an international commitment. I will call on the Diet to pass the bill in the current session. I will have to make efforts toward that.

[Unidentified Japanese official] He will take the next question. If there is someone in the foreign press corps who wants to ask a question, please raise your hand.

[Johnson] Prime Minister, I am Chris Johnson of the NATIONAL TIMES. One of the 18 leaders has raised strong doubt about the agreement. How do you think that leader's doubt will affect your APEC forum in reaching a consensus in the future, and how do you think it will make the preparatory work of Japan difficult and complicated?

[Murayama] I recall someone raised a question about setting the target at 2020 but the question was raised in the course of discussions. Eventually, President Suharto got everyone to agree on the Declaration, and all leaders reached agreement on the Declaration. As such, I think, that problem has been resolved.

But, as I said earlier, as far as individual matters are concerned, some differences of positions can exist as there are both industrialized nations and developing nations among the APEC members. Hence, I think that while such differences of positions are given preconditions, the question of what specifically should be done will need to be dealt with in discussions at the levels of ministers and working-level officials.

[Unidentified Japanese official] He will take the next question.

[Unidentified reporter] I am [name indistinct] of TIME magazine. My question concerns the resistance movement of the Timor people. This resistence movement has intensified over the past several days. Will you comment on this situation? Could you tell us how the matter was dealt with in your talks with President Suharto?

[Murayama] As for the issue of sovereignty over East Timor, Japan's stand is that it is aware Indonesia is effectively ruling the area, and that Japan supports the UN secretary general's mediatory efforts over the issue. Japan is watching the progress the secretary general is making in these efforts.

In foreign ministers' talks with Indonesia, Japan clearly conveyed its position of wanting human rights protected. Besides, as for economic assistance, there is the guideline on Official Development Assistance [ODA] that says the aid recipient countries should pay full consideration to the conditions of basic human rights of their people, and this position has been conveyed very clearly. Japan will watch the situation carefully.

[Unidentified Japanese official] He will take a question from the Japanese press corps.

[Kawaguchi] I am Kawaguchi from TOKYO SHIMBUN and CHUNICHI SHIMBUN. I would like to ask you about the issue of helping North Korea replace its graphite-moderated reactors with light water models. Last night, the leaders of Japan, the United States, and South Korea agreed to work in close cooperation in dealing with the issue. But I presume that there are differing opinions among the three leaders about sharing costs for constructing light water reactors. I would like to ask you how you are going to deal with this.

[Murayama] At the summit meeting, I told them that I have given high marks to the accord reached in Geneva between the United States and North Korea after tenacious negotiations. I also told them that we need to make continued efforts, while firmly maintaining the policy of resolving the nuclear issue through dialogue. The issue of assisting North Korea in constructing light water reactors, or the nuclear issue, is a global problem. This is not a concern only of the Korean peninsula. In this sense, Japan, the United States, and South Korea need to continuously work in close cooperation. If possible, I hope other G-7 nations and countries will participate in efforts to resolve the issue. I strongly hope that we will have a place where we can discuss how to solve this issue within an international framework. In such a framework, Japan will give cooperation according to its ability. I told this to the leaders of the United States and South Korea. I believe they understand my opinion. That is what we discussed yesterday. We have not yet discussed in detail how much each country should share.

[Unidentified Japanese official] Next, someone from the foreign press corps, please. Prime Minister, sorry but would you speak a little slowly—to help the translators, please?

[Unidentified reporter] I am from TASS of Russia. What do you think about the possibility of Russia participating in APEC in the future?

[Murayama] As far as the matter of joining APEC is concerned, there is a rule, according to which an application by a country will be reviewed and discussed by member countries over a grace period of three years. I understand there are many countries that want to join APEC but I think, as a general matter of principle, that will be the process applied. Generally speaking, it is very desirable that nations concerned participate in the forum and cooperate with each other for the development of member countries.

[Unidentified Japanese official] Now, next question from the Japanese press corps, please.

[Suga] I am Suga of NHK. If we accept the Declaration at face value, Japan is supposed to liberalize trade completely by 2010. As you too said, Japan has a difficult problem in the area of agriculture. Did you point that out in the talks this time? Could you tell me how the Japanese Government intends to deal with the agricultural issue in the future?

[Murayama] That point was raised in the ministerial talks, and I did raise that point again at my meeting with President Suharto, asking him to take that into consideration. Even in the leaders' meeting today, South Korea and other countries presented their views on some of the specific issues like agriculture. And I too explained that some of the issues like the one on agriculture are very difficult to deal with. I said full discussions and studies should be made, while taking this point into account. As I said earlier: How to deal with each agricultural issue will be a topic for future ministerial-level and working-level meetings at the APEC forum to be held in Osaka next year. Once again, I want to note that the countries with problems unique to them did point out their problems.

[Unidentified Japanese official] Next question, please.

[Reporter] I am from the STRAITS TIMES. Paragraph nine in the joint declaration says that countries which are not ready to participate now will join at a later date. Does this mean that APEC member countries failed to reach a consensus on the 2020 target date?

[Murayama] I do not quite understand your question. Could you repeat it again?

[Reporter] Point nine in the joint declaration notes that countries which are not ready to participate now will join at a later date. I would like your comment on whether or not the leaders at today's summit failed to reach a consensus on the 2020 target date?

[Murayama] At the summit, we discussed whether or not we should set the 2020 target date. I mentioned this earlier. There were various opinions, but the meeting was concluded after President Suharto asked other leaders to accept the declaration. So I think all member countries have agreed on the declaration.

[Unidentified Japanese official] Next question, please.

[Masagaki] I am Masagaki of the NHK. Regarding the Korean peninsula issue, in the summit talks held last night between Japan, the United States, and the ROK, the countries reportedly agreed that dialogue between North and South Korea is important. Japan faces the issue of resuming its ties with North Korea. Can you comment on the balance between the agreement and the issue of resuming negotiations on the normalization of ties between Japan and North Korea? Are you going to give priority to a dialogue with North Korea?

[Murayama] I do not think we can give priority to one issue over another. I believe it is very important that South and North on the Korean peninsula will solve all issues peacefully through such a dialogue. This will be necessary for achieving stability and peace in the Asia-Pacific region as a whole. Therefore, I believe that we have to promote the dialogue with North Korea. Japan will assume a stance of cooperating with the DPRK in areas in which we can cooperate. Japan-DPRK negotiations have been suspended for the time being. However, nearly 50 years have passed since the end of World War II and we still do not have diplomatic relations. This is an abnormal situation and not desirable for either of us. Therefore, Japan has continued to have a stance of being ready to accept the Japan-DPRK negotiations at any time. There is no change in my policy of holding discussions for actively resuming diplomatic relations if we have a chance.

[Unidentified Japanese official] Next question, please.

[Reporter] My name is [words indistinct] from Jakarta. Could you tell us what would likely be the highlight of your chairmanship in the APEC leaders' meeting in the future? Also, up until now Japan has been one of the countries in the world with large military expenditures. What will become of its military spending in the future?

[Murayama] As I said earlier, the APEC forum is composed of advanced nations and developing countries in the Asia-Pacific region. There is wide diversity of the levels of development among them. These countries should display their own characteristics, and each country should make the best use of each other's characteristics. They also should cooperate in creating conditions for the development of the Asia-Pacific region. I think the significance of the APEC forum lies in this point. In the current international situation, one country standing alone cannot prosper even if it expects to do so. This is what I stated at a certain place. If you want your country to become prosperous, you should help neighboring countries become prosperous. Your country will thrive if the region thrives. I think we are in such an international and economic situation. The purpose of the foundation of the APEC forum is to promote cooperation among member countries in the Asia-Pacific region, which need to complement each other while displaying their own characteristics for achieving the prosperity of the region, and peace and stability in the region. I believe the APEC forum is the place where we should discuss what we should do to accomplish this. Japan will make efforts to help achieve this goal. We should not make the Asia-Pacific region a closed bloc. We should open the region to non-member countries so the APEC forum will be able to contribute to the prosperity of the world. I think this is what the forum should do.

Now, I will answer your question about Japan's military spending. As I have often said, Japan has declared to the world that it will never become a military power. At the same time, Japan has maintained its three non-nuclear principles. Also, I am proud to say that Japan is not involved in arms exports at all. Here, I hope you will understand that Japan is a nation with a pacifist constitution.

[Unidentified Japanese official] Next question please.

[Matsumura] I am Matsumura of ASAHI SHIMBUN. The Bogor Declaration upholds free trade. In view of this, I would like to ask about Japan's economic diplomacy and economic policy. So far, Japan's economic diplomacy has consisted of special consideration for the United States in its policies of opening up the market or expanding domestic demand. After the APEC Declaration, I think Japan will have to face the question of giving consideration to Southeast Asia in opening up the market and expanding domestic demand, or in other words, how Japan will proceed with buying Southeast Asian products. Finance Minister Takemura also announced today that a new five-year economic plan will be formulated to replace the Five-Year Economic Plan for a Quality-of-Life Major Power. In consideration of the above, we would like to hear your thoughts on a new Asian-oriented economic diplomacy and economic policy.

[Murayama] Well... Geographically speaking, Japan is undoubtedly a member of the Asian community. However, it is an undeniable fact that the U.S. presence in the Asia and Pacific region as a whole is significant—economically, security-wise and in other areas. Therefore, I think we should fully consider what we ought to do, and what we can do as an Asian nation for the development of Asia as a whole, while giving due importance to Japan's relations with the United States, China, and other nations. I would like to state clearly here that we do not take the position of working for the benefit of certain countries, or using the influence of certain countries in our activities.

[Unidentified Japanese official] Next question please.

[Reporter] Mike (Salinger) of Knight-Ridder newspapers. Mr. Prime Minister, the leaders, in Bogor today, declared the liberalization of trade. Will Japan, the host of next year's summit, take the initiative in formulating a blueprint for this? Market liberalization is a very difficult question for Japan. Is it realistic to pin hopes on Japan?

[Murayama] The GATT Uruguay Round had already declared the same thing. The new WTO will also be launched next January. Whichever way you think of it, the liberalization of trade and investment is the trend of the times. For this reason, Japan is also in the process of considering deregulation. We have decided on more than 200 deregulation measures and have been implementing them. Furthermore, we plan to come up with a five-year plan before the end of the year to further promote the relaxation of regulations. I believe each nation will work in the direction of this general economic trend of liberalization in the world. Japan intends to take the lead in implementing liberalization.

[Unidentified Japanese official] Time is up. With this question, we would like to end the news conference. Thank you very much.

[Murayama] Thank you very much.

ROK President Addresses Summit Conference

SK1511071394 Seoul YONHAP in English 0608 GMT 15 Nov 94

[FBIS Transcribed Text] Jakarta, Nov. 15 (YONHAP)—South Korean President Kim Yong-sam Tuesday proposed a special center to develop manpower in the Asia-Pacific and a communication ministers' conference to build an intra-regional information network.

Taking the floor as the first speaker at the Asia-Pacific Economic Cooperation (APEC) leaders' meeting in Jakarta, Kim envisioned the "Asia-Pacific Information Infrastructure (APII)" for more efficient economic links among the group's 18 members.

The proposal included the establishment of a study center, funded by members, to provide for joint development of manpower within the APEC region.

The APII project would be in addition to the regular gathering of APEC foreign and trade ministers. It calls for linkage through a high-speed network for easier distribution and access to trade and investment information.

Kim also proposed freeing up tourism and travel for people within the region.

The South Korean head of state threw his full support to recommendations by the Eminent Persons' Group (EPG), APEC's thinking cap, to create a free trade and investment zone by the year 2020, urging all other members to take specific action as soon as possible.

APEC, he emphasized, should contribute to the growth and opening of the global economy and thus take the lead in creating the World Trade Organization (WTO).

PRC President on Ties With Indonesia, Hong Kong

BK1611012194 Jakarta ANTARA in Indonesian 1626 GMT 15 Nov 94

[FBIS Translated Text] Jakarta, 15 November (ANTARA)—Chinese President Jiang Zemin hopes economic and trade relations, friendship, and mutual understanding between his nation and Indonesia will be further enhanced in the future.

Speaking during a news conference in Jakarta on Tuesday night, he also said Suharto's leadership in APEC [Asia-Pacific Economic Cooperation] had enabled the forum to proceed well and brought about positive effects on the enhancement of economic cooperation in the Asia-Pacific region.

"I have just attended the APEC economic leaders meeting, which proceeded well under Suharto's leadership and brought about positive effects on the enhancement of economic cooperation in the Asia-Pacific region," he said.

During his visit, which is his first to Indonesia, the president of the world's most populous nation will pay a state call on President Suharto on Wednesday

In addition to discussing Sino-Indonesian relations, he also said that his nation accepted trade liberalization as a long-term objective.

China also agreed with the free trade timetable in the sense that several advanced nations had to adopt a stricter timetable.

The news conference also touched on other issues such as the Hong Kong issue. According to Jiang Zemin, Hong Kong will remain in APEC in 1997 under the name of Chinese Hong Kong.

Malaysian Prime Minister Has 'Reservations'

BK1611031394 Bangkok BANGKOK POST in English 16 Nov 94 p 1

[APEC report by Suphaphon Kanwirayothin in Bogor; Nusara Thaithawat, Peter Maitri Ungphakon, and Wichit Sirithawiphon in Jakarta]

[FBIS Transcribed Excerpt] Asia-Pacific Economic Cooperation (APEC) leaders agreed yesterday to work towards "free and open trade" in the region by 2020, but Malaysian Prime Minister Mahathir Mohamad said afterwards he still had severe reservations.

Other participants hailed yesterday's declaration as a historic step towards free trade in the region and worldwide. Most insisted yesterday's declaration was the consensus of all 18 APEC members despite Malaysia's doubt.

Dr Mahathir issued a statement saying his country considered the target dates to be "indicative" and "nonbinding".

In his statement, he insisted APEC would have to continue to work by consensus. This, together with his list of reservations appeared to throw into question how far APEC can proceed. But the statement was only released to a handful of reporters, perhaps because Dr Mahathir did not want take too much publicity away from his host, Indonesian President Suharto.

Some of the leaders said afterwards that Dr Mahathir's statement might be included in an annex to the declaration that would also include other countries' concerns along with initiatives they might be proposing.

Mr Suharto did not mention any dissent in his press conference at the Bogor Presidential Palace after yesterday's meeting. The text of Malaysia's reservations' was not distributed by organising officials and some of the leaders said they had not seen it. Mr Suharto even went so far as to predict APEC will eventually achieve free trade earlier than the target dates of the declaration. [passage omitted]

Malaysian Premier Cites Flexibility

BK1611075294 Kuala Lumpur Voice of Malaysia in English 0600 GMT 16 Nov 94

[FBIS Transcribed Text] Leaders of the Asia-Pacific Economic Cooperation, APEC, forum have accepted Malaysia's views on the need for a flexible enforcement of the deadline to liberalize trade and investment in the region. Datuk Sri Dr. Mahathir Mohamed told a news conference this after a leaders informal meeting in Bogor, Indonesia. He said that Malaysia's reservations on the original draft of the summit declaration were incorporated in an annex to the document.

The declaration, among other things, says the pace of the implementation will take into account the differing levels of economic development among APEC economies. The industrialized economies should achieve the goal of free and open trade and investment no later than 2010 and developing economies no later than 2020.

Dr. Mahathir said as far as Malaysia is concerned, the target dates are nonbinding on member economies. Asked on whether or not Malaysia was alone in its objection to the ongoing talks, Dr. Mahathir said several other countries also shared its views.

Thai Prime Minister Acclaims Bogor Declaration

BK1611034594 Bangkok BANGKOK POST in English 16 Nov 94 p 6

[Report by Wichit Sirithawiphon from Jakarta]

[FBIS Transcribed Text] Prime Minister Chuan Likphai said the Bogor Declaration will benefit Thailand because it promotes free trade which brings prosperity. Under the declaration, Thailand will have to complete liberalisation by 2020. Mr. Chuan said APEC ministers and their senior officials have a lot more to do in working out the details to implement the Bogor Declaration.

The Prime Minister said the 2020 target was acceptable to Thailand, but not 2010 because a number of problems still exist in Thailand.

"However, we will neither be lagging behind or be more advanced than other countries," he said. Countries which are to complete liberalisation by 2010 include the United States, Japan, Singapore, New Zealand, Australia, Hong Kong, Taiwan, South Korea and Canada.

During the meeting, in which seven languages were used, Mr. Chuan said he believed free trade was the best system, and emphasised that all countries must be sincere in bridging the differences of APEC members. He said he had made this point at last year's informal meeting in Blake Island, hosted by U.S. President Bill Clinton.

Mr. Chuan said he also told the meeting that among APEC members, some countries are able to send people to the moon, while some others have villagers who do not even know about wearing shoes.

"This is the difference among APEC members and will be the main obstacle to trade liberalisation in the region," he said.

He said Malaysian Prime Minister Mahathir Mohamad has submitted an annex expressing concern that developing countries may have difficulties in implementing trade liberalisation. However, Mr. Chuan stressed that if all members followed the agreed principles, such as human resource development, it will help reduce the obstacle to free trade.

At next year's APEC meeting in Osaka, details for the implementation of the agreed principles will be discussed.

Mr. Chuan stressed that developed countries must help less developed countries to bridge the gap between them including the transfer of development experience, while at the same time, developing countries must also help themselves. He said while a clear target has been set for the completion of trade liberalisation, no date has been fixed to start the process, which means that each member country can start when they are ready.

Mr. Chuan said the meeting did not discuss how to classify each member under the two categories of developed or developing, but he believed that all countries know where they stand. He stressed that the APEC agreements must be implemented in accordance with the principles of the World Trade Organisation (WTO). He told the meeting that APEC was a part of the world and was not a trade bloc.

As for the ASEAN Free Trade Area (AFTA), Mr. Chuan said if APEC can proceed smoothly, ASEAN may have to discuss how to further speed up the implementation of AFTA. ASEAN will discuss the impact of the Uruguay Round and the Bogor statement at the special AFTA retreat, planned for next year.

Thai Foreign Minister's Remarks

BK1611042694 Bangkok BANGKOK POST in English 16 Nov 94 p 6

[Report by Nusara Thaithawat in Jakarta]

[FBIS Transcribed Text] The Foreign Ministry wants to maintain its role as the key coordinator between ministries at international trade talks such as the Asia Pacific Economic Cooperation (APEC).

"The Foreign Ministry has to be the coordinator," said minister Thaksin Chinnawat yesterday at the end of this year's APEC meeting in Indonesia. Mr. Thaksin had been asked about the future role of his ministry in international negotiations as they become more and more trade oriented and specialised.

APEC is an example where foreign ministers from member countries originally led their delegations at meetings, but as the forum goes deeper into trade, seven of the 18 member countries this year were led by trade or coordinating ministers.

Mr. Thaksin admitted the Foreign Ministry was not the implementor of trade agreements, but it was the "gateway to Thailand, and whoever enters or leaves the country must go through the ministry".

He said there was a need for close coordination with ministries responsible for economic matters.

Senior officials or experts from economic ministries usually accompany Foreign Ministry officials at international trade talks, but there have been complaints they have not been kept fully informed or are not present at complicated trade talks.

Mr. Thaksin said he would coordinate with other ministries to further national interests as a highly competitive world did not leave any room for internal divisions within the Government. He also stressed the need to inform the private sector of the outcome of international meetings. The minister said he would work on appraising the Thai private sector of the outcome of the APEC meeting, which has set a timeframe for trade liberalisation in the region by 2020.

"In this highly competitive world, it is important that the Thai private sector is kept fully informed about international agreements so they can prepare and reap the most benefits," he said. "The private sector will be the driving force of APEC."

"I will certainly coordinate with (Deputy Prime Minister) Dr. Suphachai (Phanitchaphak) and (Commerce Minister) Mr. Uthai (Phimchaichon)" in appraising the public of the APEC results.

Mr. Thaksin said he had a number of plans on improving the work at the Foreign Minstry. These include the speedy issue of passports and the opening of regional offices to facilitate applications in the provinces.

He also cited the protection of Thai nationals in trouble abroad including "unskilled workers and fishermen who were tricked by employers and are serving jail terms in foreign countries".

Thai Foreign Minister Meets Japanese Counterpart

BK1511135794 Bangkok Radio Thailand Network in Thai 1200 GMT 15 Nov 94

[FBIS Translated Text] According to the Foreign Ministry, Police Lieutenant Colonel Thaksin Chinnawat, foreign minister, met with Yohei Kono, Japanese deputy prime minister and foreign minister at the Hilton Hotel in Jakarta. The Japanese foreign minister thanked Thailand for facilitating the recent transit of members of the Japanese emperor's family. He also accepted the Thai request to look into the problems of Thai women and impoverished Thais in Japan.

On regional political issues, the Japanese foreign minister informed his Thai counterpart that Japan will organize an international conference on the reconstruction of Indochina and asked for Thailand's support for the conference. The Thai foreign minister assured him of Thailand's support because it wants to see national development in Indochinese countries as this will contribute to a good foundation for peace and stability in Southeast Asia.

On Burma, the Thai foreign minister said by allowing construction of a bridge across the Moei River, Burma has demonstrated its desire for contact with other countries to further its national development.

Philippines' Ramos Comments on Outcome

BK1611093594 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 16 Nov 94

[FBIS Translated Text] Philippine President Fidel Ramos held a news conference in Jakarta this morning with a number of local and foreign correspondents. RRI correspondent, Harlina Sitompul, has the report.

[Begin recording] [Harlina] The outcome of the APEC [Asia- Pacific Economic Cooperation] summit will greatly benefit the Philippines because of the opportunities for more open trade among APEC member countries, including the Philippines. This was stated by President Fidel Ramos at his news conference this morning in Jakarta. In the cordially conducted news conference, President Ramos also briefed local and foreign correspondents on the good ties between the Philippines and Indonesia. He said the two countries have long-established ties in trade, the economy and other sectors.

[Ramos in English] I say this without any special bias toward the Philippines. With due respect to our present neighbor the... [recording fades out]

[Harlina] President Ramos said with the declaration issued by APEC economic leaders and the 2020 free trade timetable for developing nations and 2010 timetable for developed nations, the Philippines will invite Indonesian industrialists for joint cooperation with their Filipino counterparts in the economy, trade and the other development sectors. He added his country has all along been participating in meetings on the economy and trade, whether at the ASEAN, Asia or the Asia-Pacific levels. Ramos also stated at his news conference that the Philippines places greater regard on environmental conservation because of the links it has with trade. According to Ramos, the Philippine concern over environmental conservation is not only meant for the Philippines, but also for the outside world and the country is working hand in hand with the Worldwide Wildlife Fund for Nature or the WWF. He said funds amounting to U.S. $28 billion has been allocated for the program. During the news conference, a Japanese correspondent also told President Ramos that he looked stunning in his Indonesian batik shirt at the APEC economic leaders summit in Bogor yesterday.

After the news conference, President Fidel Ramos witnessed the signing of an agreement to build a 45-km toll highway in Manila worth U.S.$475 million to be undertaken by an Indonesian consortium. [end recording]

Singapore's Goh on Trade Deadline, Timor Issue

BK1511143494 Singapore Singapore Broadcasting Corporation in English 1400 GMT 15 Nov 94

[FBIS Transcribed Text] Prime Minister Goh Chok Tong said Singapore would like a timeframe for a regional free trade in the shortest possible time. He said the year 2010 or 2015 would be ideal. Speaking on Indonesia's national television, Mr. Goh, however, said that the latest practical deadline would have to be 2020 considering the different levels of economic development in APEC [Asia-Pacific Economic Cooperation]. The prime minister added that Bogor is a bold step to achieve a bold vision and that there should be a follow-up by ministers to realize this vision.

On East Timor, Mr. Goh called on the West to look at Indonesia as a country and at the achievements of the government over the last 28 years. He said President Suharto has brought about prosperity for Indonesia. Mr. Goh also pointed out that Indonesia is a huge country and it is not easy to govern because of its diversity. He said East Timor is merely one among the many Indonesian islands and we should not just focus on one dot to make up the whole picture and total achievements of the country.

Australia's Keating Comments on Free Trade Issue

BK1611020094 Jakarta ANTARA in Indonesian 1726 GMT 15 Nov 94

[FBIS Translated Text] Jakarta, 15 Nov (ANTARA)—Australian Prime Minister Paul Keating has expressed his confidence that the APEC [Asia-Pacific Economic Cooperation] member countries will be able to create a free trade area in the region earlier than the targeted year of 2020.

"I am confident about it because we are moving together toward achieving the goal and we will gain huge benefits from it. Accordingly, many APEC member countries will achieve trade liberalization much earlier." He said this at a news conference when he returned from Bogor after attending the APEC Economic Ministers Meeting (AELM) there.

Citing an example, Keating said that, due to the success of the deregulation program, Indonesia's average import tariff has been reduced from 35 percent to 20 percent and is continuing to fall. In Korea the tariff has been reduced from 32 percent to 10 percent.

Keating said the APEC leaders' commitment to achieving a free trade area in the region by the year 2020 is bold and very significant. In fact, it represents a stronger determination than that made by those involved in the GATT negotiations and the Group of Seven (G-7).

"This commitment is beneficial to Australia, and Australian industrialists are ready to take advantage of the commitment," he added.

Australian industrialists feel that the Bogor commitment promises greater access for their products and services to a bigger, more integrated, and dynamic regional market.

"This can be seen from the fact that in 25 years' time the exports of our commodities to APEC member countries will grow by 9 percent per year, a two-fold increase from our average global growth in exports," he said.

Keating said that more than 30 percent of Australia's manufactured products and two-thirds of its services exports flowed into the APEC member countries.

He said that if the results of the Uruguay Round increased the Gross Domestic Product [GDP] of APEC member countries to U.S.$112 billion annually, the APEC free trade area would increase the GDP more than three times that amount.

Hong Kong Envoy Criticizes 'Opt-Out' Clauses

HK1611054594 Hong Kong SOUTH CHINA MORNING BUSINESS POST in English 16 Nov 94 p 1

[From Simon Beck and Amy Chew in Bogor]

[FBIS Transcribed Excerpt] [Hong Kong] Financial Secretary Sir Hamish Macleod says he is unhappy with two apparent opt-out clauses contained in the final communique issued yesterday by the leaders of the Asia-Pacific Economic Co-operation (APEC) forum after their summit in Indonesia.

Sir Hamish said that one of the offending clauses was paragraph nine of the document which some observers say has been inserted to allow dissenting member states like Malaysia to opt out of their free trade obligations within APEC. Paragraph nine says that APEC economies which are "not yet ready to participate" may do so at a later date.

Sir Hamish is also unhappy with the wording of another paragraph in the declaration which stipulates that member states will merely "endeavour" to avoid protectionist measures against other member states. "It's a bit weak and that particular paragraph I was not impressed with, but it's better than no paragraph at all," he said.

The agreement does not stipulate whether APEC's newly industrialised countries—Hong Kong, South Korea, Singapore and Taiwan—should follow the earlier deadline of 2010 or the later deadline of 2020 for lowering trade barriers. Sir Hamish said Hong Kong would have no trouble meeting the earlier date.

However, Malaysian Prime Minister Mahathir Mohamad, a reluctant participant at the summit, who did not participate at the inaugural APEC meeting last year, said he had strong reservations about the free trade agreement. Mr Mahathir has said APEC is moving too fast and becoming too institutionalised. He has expressed concern that the Pacific Rim grouping will be dominated by its more powerful economies, such as that of the United States.

"Malaysia will only commit to undertaking further liberalisation on a unilateral basis," a Malaysian delegate at the summit said. Mr Mahathir's stance had raised the prospect of a "17 plus one" APEC in which the majority would press ahead with their plan and leave Malaysia on the sidelines. [passage omitted]

Taiwan Chief Delegate Comments on APEC Status

BK1611021494 Jakarta ANTARA in Indonesian 1735 GMT 15 Nov 94

[FBIS Translated Text] Jakarta, 15 November (ANTARA)—Chinese Taipei believes that APEC [Asia-Pacific Economic Cooperation] is not a political forum but a regional economic organization in the Asia-Pacific region in which all parties are equally treated without any discrimination, the chief delegate said in Jakarta on Tuesday night.

"APEC is not a political forum but a regional economic organization," said Vincent C. Siew, chairman of the Chinese Taipei Council for Economic Planning and Development in reply to questions by reporters on the country's position within APEC due to the one- China policy.

Japan as APEC chairman next year will use the format of the APEC economic leaders' meeting in Seattle, the United States, and adopt the mechanism implemented in Indonesia this year.

Siew said that, as stipulated in the 1993 declaration, all APEC members, now numbering 18, are represented by their economic leaders and not their heads of state.

He said his country should also set a timetable for the implementation of free and open trade in the Asia-Pacific region endorsed at the Bogor AELM [APEC Economic Leaders' Meeting] .

Asked when Chinese Taipei will implement the Bogor declaration, he said that Chinese Taipei along with South Korea, Hong Kong, and Singapore, which are newly industrialized countries, have yet to agree on a timetable.

"We are adopting a similar approach on trade liberalization," he said.

On the occasion, he expressed his regret over the absence of the Chinese Taipei president in the AELM.

Siew expressed his happiness and satisfaction over the success of the Bogor AELM, which issued a declaration on achieving free and open trade and investment in the Asia-Pacific region no later than 2010 for developed nations and no later than 2020 for developing nations.

"We congratulate ourselves on the success of the meeting because there remained differences in views on the matter during the dinner reception on Monday evening. But, we today reached a consensus on a "timetable" [preceding word in English] for trade liberalization," he said.

According to him, the declaration will motivate non-GATT members such as Chinese Taipei to immediately change its policy on the GATT membership. He, however, did not elaborate on when his country would become a GATT member.

Regarding cooperation between Chinese Taipei and Indonesia, he said the declaration would hopefully motivate the two countries to further enahnce trade and investment cooperation.

Further on Taiwan Delegate's Remarks

OW1611130894 Taipei CNA in English 0851 GMT 16 Nov 94

[By C.C. Lung and Y.C. Tsai]

[FBIS Transcribed Text] Jakarta, Nov. 15 (CNA)—Hsiao Wan-chang, chairman of Taiwan's Council for Economic Planning and Development, said Tuesday [15

November] that he was satisfied with the Asia-Pacific Economic Cooperation (APEC) leaders' summit in Bogor.

However, he said he deeply regretted that President Li Teng-hui could not attend the informal summit. Hsiao represented President Li at the APEC summit meetings both in Bogor Tuesday and in Seattle last year due to protests by Mainland China over Li's presence.

Hsiao made the remarks at a press conference following the conclusion of the leaders' meeting.

APEC groups 18 economies in the region and is not concerned with questions of sovereignty, he stressed, responding to an earlier statement by Beijing that Hong Kong and Taiwan are not sovereign nations and therefore are only allowed to send high-ranking economics officials to the APEC leaders' meetings.

Noting that APEC is a regional economic organization, he pointed out that all members are entitled to join in APEC activities on an equal footing.

During the Bogor summit, he said, he proposed an agricultural cooperation project in the Asia-Pacific region, which won support from Singaporean Prime Minister Goh Chok Tong and Japanese Prime Minister Tomiichi Murayama.

Indonesian President Suharto, who chaired the summit, decided to list the proposal on record and to direct APEC ministerial-level or experts' meetings to study the plan in detail, he noted.

The project aims to promote farm expertise cooperation and to expedite farming effectiveness in the region, he added.

A declaration at the end of the summit, which pledges to further reduce "barriers to trade and investment" among the APEC economies in compliance with the General Agreement on Tariffs and Trade (GATT), gives impetus to Taiwan's bid to join GATT, he said.

Hsiao said that his bilateral talks with other APEC leaders and ministers in Jakarta will also help accelerate Taiwan's admission into GATT. Taiwan now holds observer status in the world trade regulatory body and hopes to become a full member by the year's end or early next year.

The 11-point declaration, while agreeing "to adopt the long-term goal of free and open trade and investment in the Asia-Pacific," noted that "the pace of implementation will take into account the differing levels of economic development among APEC economies."

Developed countries are to lift trade barriers by 2010 and all others by 2020. Only five members will be required to meet an earlier deadline: The United States, Japan, Canada, Australia and New Zealand.

Other APEC members include Brunei, Chile, Mainland China, Hong Kong, Indonesia, South Korea, Malaysia, Mexico, Papua New Guinea, the Philippines, Singapore, Taiwan and Thailand.

Founded in 1989, APEC members boast a combined population of 2.2 billion and an aggregate production of U.S.$12 billion, accounting for about half of total world production.

Canada Willing To Share Technology With Members

BK1611091794 Jakarta ANTARA in Indonesian 1752 GMT 15 Nov 94

[FBIS Translated Excerpt] Jakarta, 15 Nov (ANTARA)—At the APEC [Asia-Pacific Economic Cooperation] forum, Canadian Prime Minister Jean Chretien said his country is willing to offer technology for infrastructure development to developing countries. This is because Canada has the expertise in the area.

"We have a long and vast experience in infrastructure technology and have participated in infrastructure development in several developing countries such that our experience could be applied in APEC," he told a news conference in Jakarta on Tuesday. He said Canada can contribute to the infrastructure development of developing countries that are members of APEC.

Apart from that, Chretien has also offered to share with APEC members, especially developing countries, Canada's educational program. [passage omitted]

In Bogor, Chretien expressed support for the decision of APEC leaders to create a free trade area according to the timetables, adding that it was the best decision and it would promote economic growth in the Asia-Pacific region. He said the decision will increase the volume of trade in the region and will in turn improve the welfare of the people.

"With the decision, trade in the region is expected to increase and the people will be more prosperous," he said. [passage omitted]

The prime minister said the Bogor decision will have a positive effect on Canada. "To Canada, the decision will provide more employment opportunities. This is due to the increase in trade and investment in Canada."

He said the APEC member countries of Asia, especially the developing nations, have now established links with the international economic community, whereas several years ago most of them had conducted closed economic activities.

"There are rapid changes in several countries and this provides an opportunity for Canada to cooperate with them," Chretien said.

Mexican President Attends Summit, Departs

PA1511223294 Mexico City NOTIMEX in Spanish 1544 GMT 15 Nov 94

[By Fernando Lezama]

[FBIS Translated Text] Jakarta, 15 Nov (NOTIMEX)—In today's world, in which economic integration is becoming increasingly stronger, sovereignty should by no means be defended through isolation or trade barriers, Mexican President Carlos Salinas de Gortari said here today.

"In the world in which we live, in which globalization means a greater interrelationship among economies, the best way to defend a country's sovereignty is by becoming stronger internally, as we have done over the past six years, and by achieving a stronger presence abroad," the president told the media. After participating in the second summit of leaders of the Asia-Pacific region, Salinas de Gortari assured that Mexico's diversification of relations under his government has afforded the country greater world presence.

The president of Mexico today became one of 18 leaders of the Asia-Pacific Economic Cooperation (APEC) forum to sign the Declaration of Bogor establishing an ambitious plan to ensure that the region establishes free trade by the year 2020. The visits to Jakarta and Bogor were part the last international tour to be made by Salinas de Gortari, whose term ends on 30 November.

The Mexican president assured that Mexico is continuing to increase its role in the world. "Mexico's voice is heard and is influential," he added.

Salinas de Gortari said there is "an appropriate atmosphere" for his candidacy for the post of secretary general of the new World Trade Organization (WTO), which will guide the global exchange of goods and services. The Mexican president, who has the official support of a majority of Latin American countries, is one of three candidates for the position of heading the WTO, which will be headquartered in Geneva starting in 1 January 1995. It is a known fact that the United States and Canada, Mexico's two trade partners under NAFTA, will support Salinas de Gortari's candidacy at a GATT meeting on 15 December in Geneva. The other two candidates for the post are Italian Commerce Minister [title as received] Renato Ruggeiro, who is officially supported by the European Union; and former South Korean Trade Minister Kim Il-chu, who is supported by his country and Japan.

Salinas de Gortari said the most important thing is that there is "full agreement" that the WTO should be put into operation to materialize the agreements reached at the Uruguay Round of GATT. Mexico was among the first countries to ratify the Uruguay Round, which was signed by more than 110 countries in Morocco in April. Its approval is pending in the other countries, including the United States.

As for the APEC meeting, he said it was exceptional because of the presence of 18 chiefs of state in Indonesia who are jointly heading efforts on behalf of 50 percent of the world's population and economy. He added that APEC is a specific example of an instrument that has helped the North-South dialogue "obtain specific results."

During the forum, Mexico rejected the claim that the commercial opening sought by APEC will be indiscriminately applied to non-member countries, and he urged the organization to better define its free trade goals for the year 2020 be defined.

In Jakarta, the president of Mexico met separately with colleagues Suharto of Indonesia, Fidel Ramos of the Philippines, and Jim Bolger of New Zealand. He also posed for an official picture at the entrance of Bogor Palace, about 60 km south of Jakarta, with his 17 APEC colleagues, all of whom were clad in a traditional Indonesian batik shirts. The picture included the following heads of state: Paul John Keating of Australia, Sultan Hassanal Bolkiah of Brunei, Jean Chretien of Canada, Eduardo Frei Ruiz Tagle of Chile, Hsiao Wan-chang of Taiwan, and Hamish MacLeod of Hong Kong.

Also in attendance at the summit were the prime ministers of Japan, Tomiichi Murayama; Malaysia, Dato Seri Mahathir Mohamed; New Zealand; Papua New Guinea, Jiluis Chan; China's Jiang Zemin; the Philippines; Singapore's Goh Chok Tong; and South Korea's Kim Yong-sam. Chuan Likphai of Thailand and William Clinton of the United States also attended.

Salinas de Gortari returned to Mexico City this afternoon in the company of Foreign Secretary Manuel Tello and Commerce Secretary Jaime Serra Puche, who also participated in the forum.

Salinas Makes Departure Statement

PA1611161294 Mexico City XEW Television Network in Spanish 0430 GMT 16 Nov 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The Asia-Pacific Economic Cooperation [APEC] Summit has ended in Indonesia.

Minutes before taking a 25-hour flight from Jakarta, Indonesia, back to Mexico, President Carlos Salinas de Gortari spoke about the summit, which was also attended by 17 other APEC heads of state and government:

[Begin Salinas recording] The most important thing is that the members totally agree the World Trade Organization should start operating. It will be the organization that will allow for the fulfillment of the agreements of the GATT Uruguay Rounds. [end recording]

This is how Salinas bade farewell to Jakarta, but he mentioned before departing the benefits the summit had for Mexico:

[Begin Salinas recording] APEC includes some of the most developed nations of the world. These countries represent more than one-half of all world trade. We called for the opening of markets, meaning more Mexican products would be exported, more jobs would be created for the benefit of our fellow countrymen. [end recording]

It was mentioned at the summit that Mexico ranks fifth among the 18 economies that make up APEC.

After making his longest trip as president, Salinas is expected back in Mexico City early the morning of 16 November.

Mexico Rejects 'Indiscriminate' Market Opening

PA1511145794 Mexico City NOTIMEX in Spanish 0643 GMT 15 Nov 94

[By Fernando Lezama]

[FBIS Translated Text] Bogor, Indonesia, 15 Nov (NOTIMEX)—Mexico spoke today in favor of clear-cut and open free trade rules in the Asia-Pacific region but rejected any attempt for an indiscriminate opening of markets toward countries outside APEC [Asia-Pacific Economic Cooperation].

Sources from the Mexican delegation at APEC have said their country agrees "in principle" with the idea of establishing a free trade zone in the region by 2020. They have said, however, they still do not have it clear "what or when" even though the regional countries are setting deadlines, and that reason is why Mexico believes it is necessary to specify what is understood by free trade and how it will be achieved.

The sources have stated Mexico will accept in no way the position of a group of eminent men who believe APEC should create a free trade zone that can offer advantages without reciprocity to countries from other parts of the world, such as Europe.

The concept of a unilateral opening and the 2020 deadline for APEC to implement a free trade zone were part of the recommendations made by a group of eminent men, most of them scholars, who have drafted a report for the forum.

"The idea is for us to be very careful in maintaining an equilibrium in an open region, without giving away our markets to other countries with whom there is no reciprocity," one of the sources has said. He has said free trade for Mexico is "reciprocity and clear-cut rules."

"We have to ensure that the opening of APEC will have reciprocity in countries that are not APEC members," the source added during the Summit of Heads of State of the Asia-Pacific Region at Bogor Palace.

A total of 18 regional heads of state, including Mexican President Carlos Salinas de Gortari and Chilean President Eduardo Frei, are participating in the work meetings being held at the Garuda Room of the building constructed in 1745. Chile was accepted into APEC at this meeting.

The sources have stated the Mexican Government believes it is necessary to define the concept of free trade so that a "true understanding" can exist at APEC.

The heads of state of Australia, Brunei, Canada, the PRC, Hong Kong, Japan, the ROK, Malaysia, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand, and the United States are also participating in the forum.

APEC, founded in 1989, represents the most dynamic economies of the world which have the greatest growth rates and which concentrate nearly 50 percent of the world's trade and production.

Osaka APEC Summit To Focus on Free Trade Mechanics

BK1611060894 Bangkok THE NATION in English 16 Nov 94 p B20

[Report by Chirawat Na Thalang and Thanong Khanthong in Jakarta]

[FBIS Transcribed Text] Jakarta—The 18 leaders of Asia-Pacific Economic Cooperation (Apec) yesterday agreed to meet again next year in Osaka, which will host the third consecutive summit of the regional economic forum that is fast gaining momentum in economic and trade liberalization, announced Indonesia President Suharto.

Although Suharto did not give details of the agenda the Apec leaders will discuss in Osaka, it is expected that trade and investment facilitation, the mechanical procedures that make it possible for Apec to create "free and open trade" in the region, will feature prominently in the summit.

"Keep your eyes on the Osaka summit. There they will work on how free trade can be translated into real action," said a senior Thai official.

The Apec leaders, under Indonesian President Suharto's guidance, yesterday agreed to go along with a proposal to create free trade in Asia-Pacific at a target date of no later than 2020 for developing economies and 2010 of developed economies.

The Blake Island summit in 1993, hosted by US President Bill Clinton, started off with an agreement among the Apec leaders to support a vague notion of free trade in the Asia-Pacific community.

The Bogor summit focused on expanding free trade, covering free movement of goods, services and capital, in Asia-Pacific with a target date to achieve it. And the Osaka summit is expected to get into the details of how the Apec members can achieve full trade liberalization within a specific time frame.

The announcement of the Osaka summit reflects the growing institutionalization of the six-year-old informal regional economic forum, which is emerging potentially as a major trade arrangement that encompasses half of the world's trade and 40 percent of global output.

Suharto announced that human resource development, economic infrastructure, science and technology, environment, small- and medium-scale industries, private sector participation, and long-term objectives to achieve free and open trade in the region will be the hallmark of Apec.

A Thai trade expert said it is likely that the Osaka meeting will endorse creation of an Apec unit, similar to the Afta [Association of Southeast Asian Nations Free Trade Area] Unit which will be a body to supervise the process to remove tariffs and non-tariff barriers in the achievement of full trade liberalization.

Until before yesterday Japan had been reluctant to make its position clear as to whether it would like to hold next year's summit. "We could not say anything because it was all up to the decision of the Bogor summit," said Takeshi Nakane, a senior Japanese official, on Monday.

Aphisit Wetchachiwa, the government spokesman, said on Monday that Prime Minister Chuan Likphai would support the Osaka summit if a consensus could be reached.

However, Japan sees in Apec a forum to enhance its trade and investment opportunities in the region. Yohei Kono, deputy prime minister and foreign minister, and Ryutaro Hashimoto, minister of international trade and industry, brought along two proposals at last week's Apec ministerial meeting to demonstrate Japan's belief in the dynamism of this region.

Its "Partnership for Progress" proposes economic cooperation on two levels: between the North-South countries and South-South countries. In the North-South formula, Japan will directly, by itself or by joint efforts with one or more developed countries, get involved in development projects with one of the developing countries.

The South-South formula will see Japan dispatch technical experts to assist the developing countries in their industrial development. However, the Apec members did not endorse the Japanese proposal, saying that they would like more time to study it.

The Ministry of International Trade and Industry proposed a "3Es" programme, covering energy security, environmental protection and economic growth, to help the Apec members achieve symmetry in their development process.

ASEAN Raises Protectionism Concerns With U.S.

BK1411013594 Bangkok BANGKOK POST in English 14 Nov 94 p 3

[Report by Peter Maitri Ungphakon and Wichit Sirithawiphon in Jakarta]

[FBIS Transcribed Text] ASEAN told US Trade Representative Mickey Kantor yesterday it was concerned about apparently protectionist actions by the United States such as anti-dumping investigations and the attempt to link labour rights with trade.

The concerns were expressed at a meeting between ASEAN's economic ministers and the US Trade Representative, a meeting postponed from September because Mr Kantor was unable to meet his ASEAN counterparts at their annual conference in Chiang Mai.

On anti-dumping, the ASEAN ministers complained that the investigations amounted to harassment and called for the US Government to hear both sides of the argument, not only the US industries petitioning for action, before launching an investigation, Thai Deputy Prime Minister Dr Suphachai Phanitchaphak told reporters afterwards.

Mr Kantor is said to have replied that the US Government was keeping anti-dumping actions under control.

Dumping is the practice of selling products at below cost in order to gain market share. Anti-dumping actions usually consist of retaliatory taxes imposed after a period of investigation. Targets of anti-dumping actions complain that the investigations create commercial uncertainty and amount to harassment.

On ASEAN concerns about the trade-labour rights link, Mr Kantor stressed that the United States simply wanted international trade agreements to allow countries to prevent imports from producers who violate international norms, for example exploiting child labour or preventing collective bargaining.

He told ASEAN that low wages or low minimum wages would not be included in the proposed labour rights provisions.

For the main part, the two-hour meeting was described as friendly and constructive. Mr Kantor said afterwards he considered it one of the best international meetings he has attended.

Much of the discussion was on the ASEAN-US Alliance for Mutual Growth, announced at last year's meeting between ASEAN and the United States at the Asia Pacific Economic Cooperation conference in Seattle.

Ministers from both sides expressed satisfaction in the creation of match-making arrangements between ASEAN and US companies. Thai Commerce Permanent Secretary Charae Chutharattakun cited the way US auto companies have been put in touch with Thai components manufacturers.

As part of the alliance for mutual growth, an electronic database is to be set up in Jakarta.

The two sides also agreed to complain about the European Union's decision to begin applying the Uruguay Round agriculture agreement on July 1. The United States said it would apply the agreement on January 1 if the agreements were ratified in Congress.

Some concern was expressed by ASEAN about the United States' intention to withdraw from the original General Agreement on Tariffs and Trade now known as GATT 1947.

The issue could prove to be merely a technical point, however. One interpretation of the Uruguay Round agreements, known officially as the WTO Agreements, is that they include the new version of GATT, GATT 1994, which in turn includes GATT 1947. Therefore even if the United States withdraws from GATT 1947, by signing the WTO agreements it will automatically be signing both GATT 1994 and GATT 1947.

ASEAN Urges U.S. To Take Lead, Ratify UR

BK1411030194 Bangkok THE NATION in English 14 Nov 94 p A3

[FBIS Transcribed Text] ASEAN Economic Ministers urged the United States to ratify the multilateral trade agreements under the Uruguay Round [UR] as soon as possible or risk delaying the whole process of World Trade Organization (WTO) ratification.

US Trade Representative [USTR] Mickey Kantor and US Commerce Secretary Ron Brown yesterday heard the ministers' concerns that the Republican takeover of the US Congress might cause the delay of Uruguay Round ratifications. If Gatt is replaced by WTO's formation in 1995, other countries might hold back from ratification pending the action by the US, according to Thai Deputy Prime Minister Suphachai Phanitchaphak.

After the meeting Kantor said he discussed concerns over Gatt with the Asean ministers, explaining, "We want to make sure WTO starts off on a strong footing". Suphachai said he asked the United States to wait for Congress ratification to become a WTO member before withdrawing membership from outgoing Gatt, which was set up in 1947. Asean ministers also urged the United States to give the Generalized System of Preferences (GSP) tax concession to Asean countries on a long-term basis rather than the present yearly renewal system. According to Suphachai, Kantor told ministers the GSP concession is now pending the passage of the Uruguay Round agreement in Congress. Once the Gatt bill is passed, the United States would immediately review the GSP concession with the Asean countries.

The USTR also assured Asean ministers they would not consider minimum wages among developing countries as a reason to impose trade restrictions in the upcoming WTO. Kantor told Asean ministers that the "social conditions" set by US definition related to child abuse and women's labour, not low wages as feared by some developing countries.

USTR and Asean economic ministers also discussed how to accelerate implementation of farm agreements reached at the Uruguay Round of world trade talk. Suphachai said he had asked Kantor to press the European Union to move back implementation of farm agreements from July 1 to Jan 1995. To comply with Gatt agreements, the EU has planned to cut farm subsidies beginning in July 1995 instead of January, as planned by other GATT members. A number of Thai farm exports would therefore benefit immediately from the Uruguay Round agreements.

Asean and US Ministers also discussed how to follow "Alliance of Mutual Growth" programme which Apec ministers formed last year in Seattle. Kantor said both sides have made great progress on the alliance programme, which covers cooperation for small and medium size industries. He added that the United States is trying to negotiate a more concrete framework for the programme to function in more effectively.

Suphachai said the two sides also agreed to maximize use of the "match-making" programme. Under this programme, US investors in the car parts industry came to Thailand, Indonesia, and Malaysia earlier this year to find partners for their production programme.

ASEAN, U.S. Pledge 'Better Format' for Dialogue

BK1411072294 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Nov 94

[FBIS Transcribed Text] ASEAN and the United States have agreed to have a better format structure of trade dialogue and communication to further enhance their cooperation in economic undertakings. Minister of International Trade and Industry Datuk Sri Rafidah Aziz said officials had been asked to identify a suitable format to enable the two parties to discuss various issues on economics effectively for mutual benefit. She was speaking to newsmen in Jakarta after attending the ASEAN economic ministers-U.S. Trade Representative meeting that was followed with bilateral meetings.

Datuk Sri Rafidah said the U.S. had expressed its desire to have this framework with ASEAN. ASEAN has no objection provided its terms are agreed mutually. She noted that Malaysia, too, has a good dialogue mechanism with the U.S. and a very good rapport at official level.

ASEAN Ministers Call for Greater Coordination

BK1211091394 Bangkok BANGKOK POST in English 12 Nov 94 p 6

[Report By Somphon Thapanachai and Nusara Thaithawat from Jakarta]

[FBIS Transcribed Text] ASEAN economic minister are expected to submit a letter to their foreign affairs counterparts calling for more coordination as the association deals increasingly with economic issues.

An informed source told BANGKOK POST the ASEAN Secretariat last week forwarded a two-page draft letter to Deputy Prime Minister Suphachai Phanitchaphak, chairman of this year's ASEAN economic ministers' meeting.

"The letter is very polite," the source said. ASEAN secretary-general Datuk Ajit Singh stressed it was only a draft. He said Dr Suphachai is free to make amendments before he forwards it to Brunei Foreign Minister Prince Mohamed Bolkiah, this year's chairman of the ASEAN Standing Committee of foreign ministers. He said the letter proposes a look at restructuring ASEAN in a way that would allow it for more consultation and coordination.

A source said the economic ministers also propose that the ASEAN Secretariat studies how to "restructure" the relationship between the two sets of ministers so ASEAN as an organisation is strengthened to deal with various issues facing it in the new international arena.

Datuk Ajit Singh said the letter is not considered urgent and will be submitted when ready. ASEAN economic ministers decided at their annual meeting in September in Chiang Mai to ask the ASEAN Secretariat to draft a letter calling for more coordination. They complained that their counterparts at the foreign ministry were making decisions on economic issues without consulting them. The first open sign of unhappiness was made at the annual meeting of the ASEAN economic ministers in Singapore last year, as ASEAN was preparing for the first informal meeting of the leaders at the Asia Pacific Economic Cooperation in Seattle.

This year, economic ministers took offence when foreign ministers arranged for the establishment of the ASEAN-German Business Council last September. Thai, Malaysian and Philippines economic ministers were reported to have raised the issue.

Mahathir Urges Creation of Single Commonwealth

BK1311103094 Kuala Lumpur Voice of Malaysia in English 0800 GMT 13 Nov 94

[FBIS Transcribed Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed today called for the creation of a single global Commonwealth founded on the principle of cooperative prosperity. He said with the end of the Cold War, for the first time in human history, an opportunity exists to build a single global economic system. He said this in his keynote address at the Pacific dialogue in Penang.

The prime minister added that it is a new crusade and a new mindset that all the countries represented in the dialogue should join. He earnestly believe that countries must work together and for the first time in human history for a single global Commonwealth founded on the principle of cooperative prosperity. The three-day dialogue is being attended by more than 60 people, mainly political leaders including six American senators and corporate figures from the Pacific rim.

Datuk Sri Dr. Mahathir urged them to engage, persuade, and drag the entire world into the making of the future prosperity of East Asia. It will not be just for the good of East Asia but for the whole world.

Japan

Clinton-Murayama Meeting in Jakarta Assessed

OW1611105094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 1

[Article by Akihiko Miyamoto: "Momentary Japan-U.S. Cooperation"]

[FBIS Translated Text] Jakarta—The Japan-U.S. summit meeting, held during the Asia-Pacific Economic Cooperation [APEC] forum, was an occasion for the leaders of Japan and the United States to discuss ways to restart the Japan-U.S. economic framework talks. In the previous talks, the two countries had only reached a partial agreement by 30 September, a deadline imposed by the United States for possible sanctions against Japan. Over the past year, the two countries spent their energies on "marathon negotiations, called the framework talks, that yielded only futility," (says a high-ranking government official). The Japan-U.S. summit meeting—held when the "reduction-oriented policy" that focuses on reducing economic issues between Japan and the United States, and the "expansion-oriented policy" that openly advocates cooperation between the two countries, are complicatedly intertwined—represented only momentary "cooperation" between the two nations.

U.S. Attaches Importance to Diplomacy

At the summit meeting, Prime Minister Murayama said: "Mr. President, I explained to you about my coalition government formed by the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] when I met with you in Naples last July. At the meeting, I asked you not to worry about my coalition government after explaining that the coalition government will continue Japan's foreign policy and reform domestic policies."

President Clinton reacted to the prime minister's comments by saying, "Mr. Prime Minister, this time, it is my turn to guarantee you a continuity of the U.S. policy toward Japan."

At the outset of the summit meeting, the president explained half-in-joke some aspects of the political blow he suffered in the midterm elections. The President emphasized that the election returns did not necessarily represent nonsupport for him by saying: "60 percent of the American people see it as desirable that the party supporting the president be different than the party holding a majority in Congress." Nonetheless, the political situation facing him is serious.

As a ruling party, the Democratic Party suffered its second crushing defeat since the Truman administration. The Republican Party recaptured control of both houses of Congress for the first time in 40 years and Newt Gingrich, Republican minority leader of the House of Representatives, whom President Clinton has publicly criticized as a "public enemy of ordinary American people," is set to become speaker of the House. It is highly possible that, given the expected offensive by Congress with an eye on the presidential election in 1996, the President, who was inaugurated on a platform of "placing importance on domestic policies" to reconstruct the U.S. economy, will "lean toward placing importance on diplomacy."

"The prime minister led the summit meeting. This time, he was in a position to cheer the President," (says an aide to the prime minister). For the prime minister, who was satisfied with the results of the meeting, the election outcome in the United States was not a matter of indifference. It is certain that if the Clinton administration adopts a policy of placing importance on diplomacy in addition to its results-oriented policy toward Japan, it would sharpen the issue of Japan's trade deficit with the United States, which runs at $50-60 billion every year. The fuss about breaking up the SDPJ, which a senior LDP member sees as the most worrisome move which could cause the Murayama government to collapse, could cause a loss of U.S. confidence in the Murayama government.

Japan-U.S. Unity Will Weaken

It is hard for the leaders of the two countries to expand bilateral relations because the foundations of their governments remain unstable. At the meeting, both the prime minister and the President affirmed close cooperation between the two countries in dealing with North Korea's suspected nuclear development and agreed to promote the liberalization of trade and investment in the region.

What the Japanese side prepared for the summit meeting was an agreement on a program under which both Japan and the United States cooperate with each other in tackling environmental problems, and the drug, population, and AIDS issues under the framework of Japan-U.S. economic talks. A high-ranking U.S. Government official, however, said at the end of the summit meeting, "The President underscored progress in negotiations on automobiles and auto parts, and the prime minister agreed with the President."

With both the United States and North Korea striking a deal in Geneva, the situation on the Korean peninsula has been moving toward stability and the Japan-U.S. unity against "North Korea's suspected nuclear development," which made U.S. political attention turn to the Far East, may weaken for the time being.

The U.S. ambassador's official residence where the summit meeting was held is located on the edge of the Menden [name as transliterated] District in Jakarta. The President, who appeared on lawn of the residence where a group of reporters waited before the summit meeting, ushered the prime minister into the residence without shaking hands with the latter. The President gave the impression that he was different from the U.S. President who gave high marks to the "changes" Prime Minister Hosokawa promised to pursue at their summit meeting held in Seattle last November, and who flattered Prime Minister Murayama in Naples this year, saying, "I received a report painting a worrisome picture of the LDP-SDPJ coalition government, but the report was wrong."

Substance To Be Questioned

At the latest summit meeting, the prime minister and the President affirmed that they will exchange visits, and the prime minister will visit Washington early next year. The President will pay attention to whether or not Japan ratifies an accord on the World Trade Organization (WTO) and compiles a deregulatory package.

At the summit meeting, the President stated: "Mr. Kiichi Miyazawa was the first Japanese prime minister I met as President of the United States. Given the present situation in which the world's stability depends on what both Japan and the United States do, I told him that leaders of the two countries should meet at least twice a year." The President said before inviting the prime minister to visit Washington that he supported regularly holding informal APEC summit talks. It remains uncertain whether Japan and the United States will consolidate the foundation for their bilateral relations to the extent that is compatible with a frequent exchange of visits by the leaders of the two countries.

Next APEC Summit Must Map Free-Trade Steps

OW1611063294 Tokyo KYODO in English 0442 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—Prime Minister Tomiichi Murayama said Wednesday [16 November] that Asia-Pacific Economic Cooperation (APEC) forum member nations must "map out a concrete blueprint" to liberalize trade in the region during next year's APEC meeting in Osaka.

Murayama, who returned home from Indonesia earlier in the day where he attended an informal APEC summit meeting, made the statement at a joint session of House of Councillors committees.

"Japan's role during next year's meeting will be creating the conditions necessary to cooperate with each other," Murayama said.

In response to a question about differences between developed and developing nations in deciding the deadline for trade liberalization in the region, Murayama replied, "Everything may not necessarily proceed as expected. In the case of Japan, for instance, there were agricultural issues."

The declaration signed Tuesday in Bogor, Indonesia, said developing countries should meet the free-trade target deadline of 2020, with industrialized nations leading the way by 2010.

The premier said APEC leaders set the trade liberalization deadline "after taking into full consideration the unique circumstances of each country." APEC has 18 members.

Tokyo Urged To Lead in Developing APEC Plans

OW1611063194 Tokyo KYODO in English 0528 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—Japan's leading newspapers urged the government Wednesday [16 November] to take the lead in realizing the broad-brush plans for Pacific rim trade liberalization and development just sketched out at a regional summit.

Editorializing on Tuesday's informal summit of the Asia-Pacific Economic Cooperation (APEC) forum, the four dailies said that as host of next year's APEC meeting in Osaka, Japan must take the responsibility for the hard work of fleshing out the summit's broadly sketched timetable of liberalization.

Japan must also tread the mine field of promoting economic development while taking into account the conflicting views of industrialized and developing nations, the newspapers said.

The ASAHI SHIMBUN said Japan is saddled with the difficult task of developing the agreement at the just-ended APEC summit near Jakarta, which sets a two-tier schedule for liberalizing regional trade and investment, with a deadline of 2010 for developed economies, and 2020 for developing areas.

The Osaka APEC meeting will be a turning point for Japan as an Asian nation, the ASAHI said. If APEC merely toes the developed northern countries' line, the organization could fracture, but if it reflects only the feelings of the south, APEC's existence will be called into question, the editorial said.

The daily said the results of liberalization must be applied outside APEC as well as within, but noted that the leaders left definitions like "liberalization" vague.

The MAINICHI SHIMBUN praised the leadership of host country Indonesia's President Suharto and said Tuesday's summit succeeded in deepening trust among the members while "seeking Asian-style gentle agreement."

But "it will not be easy for Japan to assert leadership" next year at APEC, the MAINICHI said.

It warned against bickering over the liberalization timetable, saying that is a future problem, and called for "following the Asian style of consensus, not rushing systemization and resolution."

Among the pressing problems it cited, the newspaper said APEC countries must take care not to drive America from Asia, and that U.S. industrial recovery should be welcomed. The MAINICHI also called for quickly clarifying Japan's role in promoting Asian security and prosperity, such as through technological cooperation.

The YOMIURI SHIMBUN said Japan faces a tougher task than Indonesia in defining this year's broad APEC goals. "Japan must make a start in considering how to make them concrete," it said.

The YOMIURI urged Japan to cooperate with the 17 other APEC nations and territories to realize the goals of increasing a framework of open and diversified trade, promoting freer trade and investment, and stepping up regional cooperation on economic development.

The NIHON KEIZAI SHIMBUN noted "the possibility of opposition (among APEC members) growing even greater over the pace of liberalization and the binding force of resolutions."

APEC has committed itself to liberalization but there is no guarantee of progress, the business daily said. "It must be recognized that the challenge directly facing APEC is a challenge to Japan's very policy toward Asia and the Pacific."

Ramos Wants Tokyo's Cooperation To Help 'Japinos'

OW16111030 Tokyo KYODO in English 0959 GMT 16 Nov 94

[By Keiji Urakami]

[FBIS Transcribed Text] Jakarta, Nov. 16 KYODO—Philippine President Fidel Ramos on Wednesday [16 November] sought Japanese cooperation in helping to settle the issue of so-called "Japinos," children born to Filipinas and Japanese men and deserted by the fathers.

"I hope, between Japan and the Philippines, we will come to a satisfactory solution of this problem, especially in regard to the welfare of the children who are the result of Japanese-Filipino partnership," Ramos said in an interview with KYODO News Service.

Ramos said surveys are now being conducted over the Japino issue on two levels—one by the Philippine Embassy in Japan and the other by the Philippine Government in its country. Nongovernmental organizations are backing both surveys, the president said.

Ramos is in Indonesia, following attendance at the second informal meeting of leaders from the Asia-Pacific Economic Cooperation (APEC) forum in Bogor near Jakarta on Tuesday.

Referring to part of the Bogor declaration that calls for mutual cooperation in human and labor issues among Asia-Pacific nations, Ramos said Japan, as one of the signatories, should provide help for settlement of Japinos and other human-related issues.

Specifically, the status of people coming from another country should be determined and legalized, Ramos said, referring not only to Japinos but also to migrant Philippine workers in Japan.

Many Japinos have been fathered by short-stay Japanese workers in the Philippines who have their families in Japan. When their work assignment in the Philippines is over, they depart for Japan, with children and their Philippine mothers left behind without financial security.

U.S. Seen To Focus on Deregulation at Trade Talks

OW1611094394 Tokyo YOMIURI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 7

[By Tsutomu Okamoto]

[FBIS Translated Text] Jakarta, 14 Nov—The fact that at the Japan-U.S. summit meeting in Jakarta, President Bill Clinton asked Prime Minister Tomiichi Murayama to further promote the relaxation of regulations means that the United States has made clear its intent to ask Japan to change its economic structure at the Japan-U.S. economic framework talks, quite apart from previous demands to expand imports in specific sectors.

It is believed the United States will certainly push hard for the inclusion of its demands in the five-year deregulation plan, which Japan plans to formulate before the end of 1994, at the working group meeting on framework talks deregulation and competition policy to start in Tokyo on 15 November.

On the eve of the Japan-U.S. summit talks, the United States presented to Japan its "demands on deregulation and administrative reforms" at the weekend.

This was the second time the United States has presented demands on deregulation, after it did the same in January. Compared to the previous time, which concentrated on the prevention of dango [bid rigging] and such other issues of competition policy, the recent set of demands concern specific issues in such sectors as automobiles and auto parts, financial services, and telecommunications, which greatly concern U.S. companies. Japan can tell how strongly the United States feels on this issue because the demands show that "Japanese regulations have been studied and analyzed in detail."

At the Japan-U.S. summit talks, President Clinton said: "I think deregulation will be carried out in various forms from now on, taking into consideration the wishes of the United States." He indicated that it was only to be expected that the five-year program for the promotion of deregulation would accommodate U.S. demands.

It is believed that the Clinton administration has come to focus on deregulation, an issue involving the economic structure of Japan, at the framework talks because its previous approach, with its demands for managed, trade-oriented "numerical targets" has not only given rise to strong resentment in Japan, but also in Europe and Southeast Asia.

In the deregulation demands presented to Japan this time, the United States has clearly stated: "The principles advocated by major Japanese private groups and research institutions will be adopted."

This shows a shift to a strategy of enlisting the support of domestic public opinion in Japan.

Government Asked To Implement Deregulation

OW1611094794 Tokyo KYODO in English 0936 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—A business leaders' group submitted a letter to the government Wednesday [16 November] calling for the lifting or easing of various governmental regulations, group officials said.

The letter from the Japan Association of Corporate Executives (Keizai Doyukai) says Japan should implement deregulation plans immediately if it wants to boost citizens' well-being and shift Japan's economy to a domestic demand-oriented one.

The letter, which was submitted to the Management and Coordination Agency and other related governmental bureaus, calls for the government to set a target of 2005, by which time the current gap in prices between Japan and other major economies should be halved.

The group argued in the letter that deregulation should be carried out for 39 items in eight fields, including the gradual abolition of the large-scale retailers law which limits the number of retailers opening in a region.

In particular, the letter stresses the deregulation plans in such fields as housing and real estate, the distribution system, information and telecommunications, and capital markets.

For instance, it requests allowing individual truck businesses, creating a better market for mobile phones, and to easing regulations for companies wishing to float their shares on the stock market.

U.S. Interest Rate Hike 'Appropriate' Measure

OW1611102394 Tokyo KYODO in English 1002 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—Finance Minister Masayoshi Takemura on Wednesday [16 November] welcomed Tuesday's hike in U.S. short-term interest rates to head off inflation.

Takemura said at a press conference, "combined with U.S. monetary tightening steps so far, the hike is an appropriate measure to fix the groundwork for noninflationary sustained economic growth."

On Tuesday, the U.S. central bank raised two key rates by 0.75 percentage point each. It was the sixth time this year for such monetary restraint.

Takemura said he is not in a position to directly comment on movements in another nation's base rates, but he told reporters that he thinks the U.S. intends to continue its tight monetary policy to check inflationary pressure.

Asked whether the hike can break the upward pressure on the yen in the currency markets, Takemura merely said the yen retreated somewhat against the dollar during the day, perhaps partly because of such developments.

Turning to the schedule for compiling a draft budget for fiscal 1995 starting next April 1, Takemura said, "we wish to finish a budget plan compilation by all means within this year, which is Prime Minister (Tomiichi) Murayama's policy."

He said it is important to propose the budget plan to the Diet at the beginning of its 150-day ordinary session because of a possible tight schedule ahead of the next Group of Seven (G-7) summit.

Government Urged To Deal With Yen's Rise

OW1611034794 Tokyo KYODO in English 0329 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—Japan's top business and labor leaders agreed Wednesday to jointly urge the government to come up with measures for dealing with the yen's appreciation on the foreign exchange market and for nurturing new industries, officials said.

The agreement came in a meeting between leaders of the Federation of Economic Organizations (Keidanren) and the Japanese Trade Union Confederation (Rengo), said officials present at the talks.

The meeting was attended by Keidanren chairman Shoichiro Toyoda, Rengo chairman Jinnosuke Ashida and other officials.

Toyoda expressed concern over the possibility of a surge in the yen's value, despite a recent raise in the U.S. discount rate, the officials said.

Ashida said the yen's appreciation could cause Japan's deindustrialization, which he said could affect the nation's employment.

Nissan Plant Competitive Despite Rising Yen

952A0047A Tokyo NIKKEI BUSINESS in Japanese 19 Sep 94 pp 14-16

[Unattributed article: "Nissan's Iwaki Plant"]

[FBIS Translated Text] **Each Employee Is Manager**

With a reform in attitude that says "each employee is a manager," the goal of Nissan Motor's Iwaki Plant (in Iwaki City, Fukushima Prefecture) is to be an 80 yen per dollar plant.

With a total investment of 55.8 billion yen, the Iwaki Plant, which began operation in January 1994, is currently producing three types of passenger car engines, namely 2000, 2500, and 3000 cc engines, on a 20,000 unit per month basis. Unable to extract itself from slumping sales, Nissan is aiming for revival with the "New Cefiro" that underwent a full model change at the end of August of this year and engines to equip its "Maxima" for export to North America.

"Speed Up" is its Dominant Assignment; Coupling Inventory Reduction with Shortening Delivery Dates

Compared to the full model change made every four to five years with ordinary passenger cars such as four door sedans and sporty cars, the engine, which is the heart of the automobile, has a long modification life cycle of between 10 to 15 years, even though there are some minor changes made more frequently. For that reason, with the fluctuating exchange rates and flat domestic automobile demand, there was a need, according to Iwaki Plant Manager Kiyoshi Miyamoto, to create a "plant that can tolerate a strong yen level of at least $1 = 80 yen and which can respond to various circumstances that are expected in a period of more than 10 years into the future." That is why the Iwaki Plant has been named "Nissan's Model Plant for the 21st Century."

The greatest emphasis was given on "speed" when the plant was built." Four door passenger cars in the 2000 to 3000 cc class to which the Cefiro belongs are faced with throngs of competing models, such as Toyota Motor's "Mark II," "Windham," Mitsubishi Motor's "Diamante," Honda Motor's "Inspire," etc. Not only are makers adding price competitiveness by reducing manufacturing costs, the question of how to shorten the time from the receipt of order at the dealer to delivery of the car will also become a challenge. Above all, shortening delivery will link with frequent changes in production quantities and a reduction in inventories, among other things.

However, with the old engine production methods at plants such as, for instance, the Yokohama plant, it will be difficult to make large-margin reductions in lead time from receipt of order to completion of the product. This is because along with large-margin cuts in man-hours, increasing the rate of automation will be necessary.

In order to increase the rate of automation, there is a need to simplify processes such as parts insertion, bolt tightening, etc. In engine design prior to this, because so much emphasis was placed on performance, the number of processes in which skilled workers assemble using specialized tools that cannot be used by ordinary people such as special-purpose wrenches were numerous.

In order to simplify processes at the Iwaki Plant, engine design and equipment design were advanced simultaneously. The idea is not one in which the movement of the machine is suited to the shape of the engine. Rather, the engine's shape is made to fit what the machine can do. As a result of this, compared to other Nissan plants, man-hours were reduced 40 percent. The rate of automation (the ratio that assigns 100 as the time required to perform an operation manually) of the assembly process also increased to 70 percent. So the realization of speeding up is reflected in the reduction of lead time.

However, increasing the rate of automation does not necessarily mean that highly accurate products will be made. There are cases in which several months are required from startup of plant production until the defect rate stabilizes. During this time, "problems" are eradicated by changing hundreds of assembly methods and procedures. However, unlike manual operations, when the automation rate is high, process changes become difficult. For this reason, to the extent that the rate of automation increases, a system that can make a highly accurate product from the time of production startup is necessary.

In the interim, Nissan began to use a numerical value for the type of defect that occurred in engines at its company in the past, the influence of those defects on process changes, and countermeasures to handle defects. Nissan has created an automated process by searching for defective product patterns that occurred in the past and converted them into data. Even so, minor trouble at production startup cannot be avoided. The defect rate reached six times the target value of old plants at 2994 PPM (the number of defects that occur per million pieces produced).

However, because the company had eradicated causes of major defect occurrences in advance, the subsequent speed of improvements was swift. It reduced defects to 600 PPM after one month, 140 PPM after two months, and 117 PPM after three months; therefore, the defect rate dropped to one-quarter the target value. Although sweeping statements are not possible since there are differences in defect rate measurement methods depending on the manufacturer, even rival firms such as Honda Motor's Wako Plant are astounded by the figure of 117 PPM. "It is an extraordinarily figure in terms of what is the conventional wisdom in engine production."

Low defect rates among its completed products is not the only characteristic of the Iwaki Plant. It has a system of providing feedback for the purpose of defect rate reduction by analyzing engine trouble even after the engine has gone out into the field as a product. An ID card is attached to every engine that comes down the line on which assembly errors, the name of the person in charge at each process, inspection data, etc., of the production process are recorded. The number on the ID card is the same as the manufacturing number stamped on the engine.

After the automobile has been delivered to the customer, if any trouble occurs in an engine produced at the Iwaki Plant, the content is sent to the plant. At the plant, the stored ID card is located, and the content of the trouble sent and the information recorded about the production process are checked. If the cause of trouble is found in the production process, that process is improved.

Profit Emphasized Over Production Quantity; Meticulous Attention to Eliminating Waste

Even though the rate of automation is 70 percent, the remaining portion has to rely on human hands. Also, handling trouble that occurs with a product on the line and control of automated equipment, etc., can only be done by human beings. At the Iwaki Plant, attempts yet to be seen at other automobile manufacturers are being carried out not only on the hard aspects such as increasing the rate of automation on the line but also on the soft aspect of reforming awareness of employees and promotion of mutual understanding within the plant.

Plant Manager Miyamoto explains the point of the reform of awareness of employees in this way: "We got employees to discard the attitude of being producers and are having them work with the attitude that each one is a manager." When one works at a plant, the only thing one sees is one's own process. And the awareness regarding the total flow of the line and product cost tends to decrease. However, says plant manager Miyamoto, "that is not conducive to reducing costs of the plant on the whole."

The first thing that was started was disclosing the budget of the entire plant and manufacturing costs to employees on the production lines. Along with indicating the cost of completed products, they are informed of the cost of each processed part. An environment is being created in which employees are made to understand what influence the creation of one defective part has on manufacturing cost so that instead of thinking about "how many we made" they will think about "how much profit we made." In order to promote meticulous attention to "eliminating waste," a large part of the plant's budget management is also being entrusted to lower level managers.

In order that plant management conditions can be quickly communicated to people in charge of the lines, personal computers have been introduced for each several processes on the lines and not just in the production control and accounting departments. At the press of a key, a person responsible for a given line can know the production record, equipment operation conditions, defect rates, lighting and heating expenses, labor expenses, etc., of each department as well as the plant as a whole at any given time.

Also, to promote mutual understanding within the plant, a meeting is held each day during the mid-day break with the participation of everyone from plant manager to the supervisors in charge of each lower level manager. This is to permit the frank exchange of opinions concerning management conditions and cost reductions, etc. The ideas of the plant manager are communicated to each employee through the supervisors. This has created a system and environment in which even the lowest seniority employees "cannot say they do not know or have not heard about something."

Drastic measures have been taken to reform the organization inside the plant as well. At ordinary plants, the manufacturing department and the maintenance department which manages the equipment are separate. However, "just by virtue of the organization being different, the waste created is unexpectedly great," according to Nissan Senior Managing Director Kosei Minami. With this system, in the event of equipment trouble, it is necessary to make arrangements in which an employee on the line communicates the content of the trouble to his immediate superior who then communicates the information to a person of the same rank in maintenance, who sends out a person in the Maintenance Department to perform the repair. At this rate, there is also a danger that the content of the trouble will be incorrectly communicated.

At the Iwaki Plant, the departmental system at each department has been abolished and production and maintenance have been united under the production manager. This provides a system in which immediate action is taken in response to trouble.

The manufacturing cost per engine has been held down 10 percent lower compared to other Nissan plants. Although automation of the equipment was a major factor, says plant manager Miyamoto, "this is a figure that could not have been achieved if it were not for the system of information exchange within the plant and the reform of awareness."

However, while there is pride on the Iwaki Plant's production lines that it is number one in Japan as an engine plant, there is increasing irritation with respect to the business slump and Nissan's sales for which there is no way out. There is a sense of futility that "one plant's hard work does not tie in with the performance of the entire company; why is the Iwaki conception not spreading?"

Trade Surplus With U.S. Decreases in Oct

OW1511084294 Tokyo KYODO in English 1708 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—Japan's merchandise trade surplus in October fell from a year earlier for the third straight month, down 15.2% to 9.28 billion dollars, and the surplus with the United States decreased for the first time in eight months, the Finance Ministry said Tuesday [15 November].

Given the year-on-year decline for three straight months, the nation's trade surplus has come to a turning point, now heading down instead of up, mainly due to recent sharp increases in imports in volume terms, a ministry official said.

On a customs-cleared basis, exports in October rose 10.4% to 34.62 billion dollars and imports increased 24% to 25.34 billion dollars, the ministry said in a preliminary report.

The politically sensitive trade surplus with the U.S. turned to the minus column for the first time since February, falling 6.8% from a year earlier to 4.79 billion dollars.

The trade surplus with the European Union decreased from a year before for the 10th consecutive month, down 20.2% to 1.65 billion dollars, while that with Asian nations increased for the fifth month in a row, up 4.3% to 4.30 billion dollars.

In October, the dollar was quoted at an average 98.96 yen, down 6.9% from 105.82 yen for the corresponding month last year, according to the ministry.

In volume terms, exports rose 3.7% from a year before for the third straight month, following a 2.1% gain in September, and imports increased 20.4%, marking the 18th consecutive month of yearly gain.

By product, exports of electronics parts such as semiconductors continued increasing, up 32.1%, with those of integrated circuits growing 38.5%.

Imports of the electronics parts also rose 44% and those of clothing increased 23.2%, mainly from Asian and European nations, the official said.

Imports of automobiles grew by 92.9% mainly from the U.S. and Europe, more than double in volume terms to 31,014 vehicles, he said.

The official said imports of not only Japanese automakers' U.S.-produced cars but also U.S. makers' vehicles have been on the upward swing because of their trend toward smaller sizes and also lower prices.

Increases of car imports in volume terms have continued for 10 months since January, the official said.

Exports of automobiles also increased in volume terms, posting the first yearly gain in 20 months since March last year, he said.

Auto Parts Makers Expand ASEAN Operations

952A0050A Tokyo JETORO SENSA in Japanese Sep 94 pp 76-77

[Article by Akihide Suzuki, JETRO (Japan External Trade Organization) Industry Information Section: "Japanese Auto Parts Manufacturers Expand Production in ASEAN"]

[FBIS Translated Text] *Automobile demand in the three nations of Thailand, Malaysia, and Indonesia has rapidly expanded due to the high economic growth during the latter half of the 1980's, and production is believed to have reached nearly 800,000 units in 1993. However, small-scale production has been carried out by 10 to 15 makers in the markets of each nation. Anticipating future market expansion, Japanese parts makers are exhibiting new activities amid the increased production capacity of complete automakers, especially of Japanese firms.*

Thailand Plans Increased Production of Engine Parts

Thailand's automobile production increased fourfold from 100,000 units in 1987 to 420,000 units in 1993. Since 1993 Japanese finished-car manufacturers have been planning to augment their production capacity with a view to expanding domestic demand as well as export markets. In addition to Toyota's aim for a 200,000-unit system targeted for 1997 with a production expansion plan that includes construction of a new plant with an annual production scale of 50,000 units, Mitsubishi aspires to double its current 130,000 units by 1995, and Nissan will increase to 150,000 units.

Although there are more than 400 auto parts makers in Thailand which boasts the highest unit production quantity in the ASEAN region, it is thought that there are approximately 100 primary parts makers. Local expansion by Japanese parts makers rose sharply during the second half of the 1980's in response to increased production by finished-car manufacturers, domestic production rate restrictions and the strong yen. Among the major European and U.S. parts manufacturers, only a few general parts manufacturers such as tire maker Michelin (France), etc., have expanded. Local parts manufacturers are supplying pressed parts for the car body such as bumpers, rubber parts such as hoses, and fiber products such as carpet, etc., to finished-car manufacturers.

Amid domestic production promotion strategies that aim to cultivate the parts industry, assembly of diesel engines for one-ton pickup trucks in 1988 became an item for domestic production promotion and the domestic production ratio for this will be increased to 70 percent by 1995. Japanese finished-car manufacturers are increasing production capacity at engine assembly plants constructed at the end of 1980's. Toyota is exporting a portion of the diesel engines it produces in Thailand to Portugal and is constructing a casting plant for producing parts such as cylinder blocks, which are mandatory domestic production items.

In response to these types of activities, Japanese engine parts manufacturers are expanding their production capacity. Tokyo Buhin Kogyo will double its production capacity of engine cooling water pumps by fiscal 1995 and will expand its customers. While raising its production capacity, piston maker Izumi Industries will also examine exporting to Japan. Jidosha Buhin Kogyo Co. is expected to begin dealings with Malaysia's Proton Co. as part of its ring gear production expansion plan.

Proton Co. Leads in Malaysia

Although the number of units produced in Malaysia in 1993 was a mere 180,000 units, attempts are being made to cultivate the automobile industry with government leadership. Proton Co., which is a joint venture between Mitsubishi Motor and the local government, introduced its new car "Uira" in 1993 in addition to its old "Saga," and its annual unit production will exceed 100,000 units. Exports mainly to Great Britain are on the rise as well and it is expanding its production equipment to achieve annual production of 150,000 units in 1996. It will begin assembly production of a light passenger car based on the "Mira" in a joint venture between Daihatsu and a local firm in mid-1994 as a "second national car." Other foreign manufactures besides these import CKD (Complete Knock Down) parts and are producing at plants that have assembly permits.

Sixty-four companies are member firms of MACPMA (Malaysia Automotive Component Parts Manufacturing Association) as of 1993 and this said to include 80 percent of parts makers on the whole. Japanese parts manufacturers are producing locally mainly MDP (Imported Parts Mandatory Deduction Plan) designated items such as air filters, batteries, starters, etc. Major European and U.S. auto parts firms such as Lucas (Great Britain), Bosch (Germany), TRW (U.S.) are expanding locally.

Proton Co. is also procuring domestically such items as engines, transmissions, suspensions that are outside the MDP designation list and has reached a domestic production rate of 70 percent. There is also a policy for cultivating vendor firms (contractors that deliver parts), and its vendors exceed 110 companies.

Nippondenso Co., which manufacturers air conditioners is delivering to Japanese, the U.S., and European finished-car manufacturers in addition to Proton Co. It is reported to be building a mass production system by 1995 by condensing its production items to electrical devices for Thailand, air conditioners for Malaysia, and plugs for Indonesia. Also, Ichikoh Industries, which produces interior lights, has begun local production of exterior lights simultaneous with increasing production capacity in response to the activities of such companies as Proton, Daihatsu, and others.

New Market Entry Seen in Indonesia

Automobile sales in Indonesia in 1993 numbered 210,000 units, and although it is less than the 270,000 units of 1990, there is an underlying tone of recovery. Because of favorable demand, Japanese finished-car manufacturers such as Toyota, Mitsubishi, Daihatsu are increasing unit production quantities. Also, with a view to securing potential growth markets, KIA Motors (South Korea) is expected to start production in 1995 after GM (U.S.) in 1994.

As for small commercial vehicles of 2.5 tons or less that occupy approximately 70 percent of the market, domestic production of all pressed parts as well as machining of major unit parts such as engines and transmissions is mandatory. Japanese parts makers have mainly handled the areas of items designated for domestic production and repair markets, such as batteries. Recently, actions taken by such firms as Showa, which manufactures shock absorbers, have been in evidence. It will raise its production capacity in 1995 and expand exports to the ASEAN region.

In the ASEAN region, the BBC (Between Brand Complement) agreement, which mutually cuts parts tariffs among member nations by 50 percent, is being applied to finished-car manufacturers. Also, following Thailand's example in 1991, Indonesia has lowered tariffs on parts in January 1994. Amid these circumstances, Japanese parts makers expanding locally are unfolding projects with the expectation of export markets within the ASEAN region in a quest for mass production effect and not just to have dealings with their expansion destinations.

Major Japanese Auto Parts Makers (As of end of June 1992)

	Thailand	Malaysia	Indonesia
Engine parts (pistons, gaskets, filters, etc.)	Tsuchiya Mfg., NOK, Daido Metal, Fuji Valve, Izumi Ind., NTN	Kokusan Buhin Kogyo (Mitsubishi)	Izumi Ind., NTN, The Nippon Piston Ring Co.
Drives and Steering Equipment Parts	Koyo Seiko, Kuroishi Tekko, Enryo Aluminum Wheel	Koyo Seiko	Daikin Seisakusho
Suspension and Braking Parts	NHK Spring, Nisshin Kogyo, Tokyo Buhin Kogyo	MK Kashiyama, Kayaba Kogyo, Showa Corp.	Nisshin Kogyo, Kayaba Kogyo, Showa Corp.
Chassis and Body Parts	Press Kogyo	Ikeda Bussan	—
Internal Combustion Engine Electrical Parts	NGK Spark Plug Co.	NGK Spark Plug Co.	NGK Spark Plug Co., Nikko Electric Industry Co.
Electric Parts	Koito Manufacturing, Zexel, Stanley Electric, Yuasa Corp.	Calsonic Corp., Clarion Co., Nippondenso Co. Yuasa Corp.	Nippondenso Co., Yuasa, Mitsuba Electric Mfg. Co.
Expansion Number (number since 1986)	74 (35)	38 (12)	38 (17)

Source: "Japan's Auto Parts Industry 1992/1993" by the Japan Auto Parts Industry Association

MITI Affiliate To Open Shanghai Bureau

OW1611094594 Tokyo KYODO in English 0931 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—An affiliated body of the Ministry of International Trade and Industry (MITI) will establish a local bureau in Shanghai, China, as early as January, officials said Wednesday [16 November].

Small Business Corp. has decided to open the office to give advice to Japanese small and medium enterprises which want to start business in China.

At the same time, the MITI-affiliated organization in Tokyo will gradually shift its ordinary operations to China-related business to help more companies operate there, corporation officials said.

The yen's recent advance has made more firms in Japan begin operations in China to take advantage of low labor costs there.

Some 80 Japanese small and medium-sized companies had established local firms in China as of March 1993, they said.

ESA Offers Cooperation on Satellite Technology

OW1511122094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Nov 94 Morning Edition p 7

[FBIS Translated Text] It has been learned that the Europe Space Agency (ESA) has offered to cooperate technologically with Japan to prevent a recurrence of the latter's failure to put a satellite into orbit. Japan has failed to put the experimental satellite "Kiku No. 6" into geostationary orbit and the ESA's technological cooperation is expected to focus on the satellite. As for the specific form of technological cooperation, the ESA has proposed that, first, Japan and the ESA exchange information when the solar batteries in the satellite—circulating in an erratic elliptical orbit—deteriorate and second, the ESA cooperate with Japan in undertaking tests of satellite communications. The Ministry of Posts and Telecommunications [MPT], that has been the point of contact with the ESA, is welcoming the offer from the ESA, saying, "The technological cooperation from the ESA will open the way for us to effectively use the satellite," (according to the Communications Policy Bureau). The ESA, which failed to put a satellite into orbit in August 1989, has proposed providing Japan with information on how solar batteries in the astronomical observation satellite "Hippalcourse" [name as transliterated] now circulating in an elliptical orbit have deteriorated. The information would make it possible for Japan to examine ways to effectively use the Kiku No. 6 by anticipating when solar batteries in the Kiku No. 6 deteriorate.

In return for the technological cooperation, the ESA has asked Japan to supply it with information about the Kiku No. 6 and cooperate with it in undertaking a test of satellite communications. Explaining the reason for asking Japan's cooperation in undertaking the test, the ESA has said that part of the ground facilities for the test of satellite communications is not expected to be put into operation by 1996 when the experimental satellite Artemis [name as transliterated] is put into orbit.

The ESA is an international space organization that has been created by 13 European nations, including Britain, Germany, France, and Canada. The Europe Space Research Institute, the ESA's predecessor, and Japan agreed in 1972 to exchange information, opening the way for them to cooperate with each other in the space field. The MPT plans to accept the offer from the ESA. The MPT will decide on the details of cooperation between Japan and the ESA after consulting with the National Space Development Agency and other organizations.

Shinseito To Hold Meeting on Disbanding Party

OW1611084894 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Nov 94 Morning Edition p 2

[FBIS Translated Text] Shinseito [Japan Renewal Party] plans to hold a national conference of representatives on 16 November to make an official decision on joining the new-new party, which will be formed on 10 December. Among about 300 participants are 76 dietmen from the upper and lower houses and representatives from various prefectural chapters. Since there are no regulations concerning the party's dissolution, this will be the actual meeting to disband the party and end its 17-month history.

This will be the second conference on party dissolution, following the meeting held by the Japan New Party on 30 October.

Shinseito was inaugurated in June 1993 by 44 dietmen from the upper and lower houses. All of them are members of the former Hata-Ozawa faction who left the Liberal Democratic Party [LDP]. Shinseito played a role in creating the new-party boom. It succeeded, for example, in helping 19 new candidates win legislative places at the general election in July 1993. As a result, the LDP's one-party rule, which had lasted for 38 unbroken years, came to an end.

However, since Secretary General Ichiro Ozawa has continued to effectively hold the real power since the party was formed, its "factional" nature has rtemained with the party to the end.

Decides To Disband

OW1611114094 Tokyo KYODO in English 1104 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 KYODO—The powerful opposition party of Shinseito [Japan Renewal Party] decided Wednesday [16 November] to dissolve itself just 17 months after its foundation and become part of the grand opposition party set to be inaugurated in early December.

"Its life was fairly short, but it traveled a formidable path," former Prime Minister Ttutomu Hata, who heads Shinseito, told a news conference after a gathering of national representatives.

Shinseito set up shop in June 1993 after a group of 44 legislators broke away from the once-dominant Liberal Democratic Party (LDP). It is set to be dissolved on Dec. 9 and meld into a fresh opposition party to be established the following day.

During its short life, the party played a principal role in toppling the LDP from power for the first time in nearly four decades in the July 1993 general election.

"It bore great significance, because we proved there can be a change of government in Japan, too," Hata said.

In the seven-party coalition government led by Prime Minister Morihiro Hosokawa of the Japan New Party, Shinseito took control with key cabinet portfolios in its hands.

Although its political wheeler-dealers took the lead in shepherding the Hosokawa administration onto the path of national reform, Shinseito also drew broadsides from the LDP for building an alleged "dual power structure."

the LDP repeatedly blasted Shinseito Secretary General Ichiro Ozawa for apparently having Hosokawa like a puppet on a string and running the government from behind the scenes.

Ozawa's allegedly strong-armed political approach in a bid to establish a two-party system in Japan has also been criticized as a root cause of the withdrawal of the Social Democratic Party [of Japan] (SDP) [SDPJ] from the then governing union in April and its eventual ouster from power in June.

At present, the LDP is the biggest contingent of the tripartite ruling coalition, which also includes the SDPJ and New Party Sakigake [Harbinger], a small LDP splinter party.

In an address before Wednesday's party meeting, Ozawa said, "Shinseito, having completed its historical mission, is resolved to March forward with its passion ablaze to pursue a greater ideal."

But his political archrivals harbor suspicions about the role the soon-to-be-dissolved party has played in the Japanese political arena in the past 17 months.

"They should have stayed within the LDP and tried to revamp the party from within. They didn't do so but created a new party. It was, in a sense, only a deception," LDP Secretary General Yoshiro Mori told reporters Tuesday.

"They are now striving to first pulverize the LDP and then split the SDPJ. This is not a political reform at all," he added.

Koichi Kato, chairman of the LDP's Policy Affairs Research Council, also charged Tuesday that Shinseito has contributed to forging a non-LDP government but also to causing confusion among politicians.

The planned super opposition party, which will commit itself to overthrowing the tripartite coalition government of Prime Minister Tomiichi Murayama, will unite major forces that constituted the defunct Hata administration.

The party is scheduled to decide on its name Nov. 24 and its first leader Dec. 8.

"This party may really change the current of Japanese politics," Hata told the news conference.

Ex-Premier Hosokawa's Visit to U.S. Canceled

OW1511124494 Tokyo KYODO in English 1201 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—Former Prime Minister Morihiro Hosokawa on Tuesday [15 November] canceled his planned nine-day trip to the United States later this month because of his tight schedule, his office said. The office said Hosokawa tried in vain to shorten his visit after the date for selecting the leader of a new united opposition party, which his Japan New Party (JNP) will join, was set on Dec. 8, the last day of his planned trip.

Hosokawa was planning to confer with U.S. President Bill Clinton and hold talks with leaders of the U.S. Congress. Hosokawa held his last meeting with Clinton in February.

The grand opposition party, which will commit itself to ousting the tripartite coalition government of Prime Minister Tomiichi Murayama, is scheduled to be inaugurated Dec. 10. The new party will unite major forces that constituted the now defunct Hosokawa government, including the JNP.

The Hosokawa administration took power in August 1993 but collapsed last April after he abruptly announced his resignation April 8 amid a barrage of criticism over his allegedly shady financial transactions.

SDPJ, Sakigake Members To Create 'Third Force'

OW1511234994 Tokyo YOMIURI SHIMBUN in Japanese 15 Nov 94 Morning Edition p 1

[FBIS Translated Text] A top government official said on 14 November that some members from the Social Democratic Party of Japan [SDPJ] are planning to establish a joint floor group in the House of Representatives with Sakigake [Harbinger Party] before the next ordinary Diet session scheduled for January next year.

He said, "Some senior SDPJ (Diet) members are planning to form a joint floor group with Sakigake in the House of Representatives so as to create a third force." He added: "The parliamentary group should be formed before the next ordinary Diet session. I think Sakigake will not oppose this plan." He thus gave his view that it is very likely the joint floor group will be established.

At the same time, he said that in addition to the SDPJ and Sakigake, the joint floor group could include the "Democratic New Party Club" [Minshu Shinto Club] headed by Lower House member Banri Kaieda.

SDPJ Influence Dwindling in Tokyo Metropolis

OW1511151894 Tokyo AERA in Japanese 7 Nov 94 pp 6-9

[Article by AERA editorial board staff members Toshiaki Miura, Reiko Yamanoue and Taro Sato: "The Social Democratic Party of Japan [SDPJ] is disappearing from the Tokyo Metropolis"]

[FBIS Translated Text] "Ward assemblymen of the SDPJ have bolted from the party one after another in anticipation of their disadvantageous position in ward elections following the party's policy change. However, I will do my best to reform the party so that I can realize my campaign promises."

Hajime Kato, an assemblyman of Edogawa Ward, Tokyo, took the trouble to write the above on reports of his activities in the assembly, and distributed them in person at the station in late October. He intends to run under the SDPJ's banner for a ward election to be held in next spring's local elections.

"I am responsible to the inhabitants of the ward who voted for me. Rain or shine, I have no alternative but to hold the banner of the SDPJ," Kato says. However, assemblymen like Kato, who are particular about the continuation of the SDPJ, may be a rarity.

In the previous local elections held in 1991, the SDPJ put up nine authorized and recommended candidates for an Edogawa Ward election, of which five, including one of those recommended, were elected. However, Tatsuaki Tanabe, a seven-term veteran ward assemblyman, bolted from the SDPJ last September, saying: "The difficulty of explaining the SDPJ's principles makes me unacceptable to the public."

Only three incumbent assemblymen have applied for the position of authorized candidate this time. Moreover, two of them, the exception being Assemblyman Kato, are still undecided on whether to run under the SDPJ's banner, although they have applied for the party's authorization.

The letters " SDPJ assemblyman" can be seen nowhere in policy pamphlets prepared by Assemblyman Kinnosuke Yahagi. He gave up using color in his pamphlets, opting instead for single black-and- white information sheets.

Yahagi said: "We local assemblymen are at the mercy of the wind and waves of the central political world. I will have to remake my pamphlets when circumstances change, so I cannot afford to spend much money on them."

Yahagi is strongly opposed to the coalition between the SDPJ and the Liberal Democratic Party [LDP], and feels sympathetic toward the formation of a new party of social-democratic liberals advocated by the SDPJ's General Secretary Wataru Kubo and others. If a new party is not formed, he must choose between standing as an independent or as an SDPJ candidate, and has yet to make a decision on this.

Kunio Yoshigoe, another ward assemblyman, said: "As far as my electoral survival is concerned, I must wait for a while until the political stream becomes clearer."

Already, though, some of his supporters have protested: "Why do you not follow in the footsteps of Mr. Shibusawa [former dietman Rikyu Shibusawa]?" Shibusawa bolted from the SDPJ and on 20 October established the "Tokyo Democratic Society To Support the New Party," which aims at joining the new party [shin-shinto] to be formed in December by Shinseito [Japan Renewal Party], Komeito [Clean Government Party] and others.

Shibusawa says: "The SDPJ joined forces with the LDP without any discussion or agreement. In the circumstances it will be impossible for even an incumbent to keep his seat. I think the SDPJ is on the road to ruin."

Popular Former Lower House Female Member Abandons the SDPJ, Welcomes the New-New Party

Yuriko Hase, a former Diet member from the eleventh voting district, Tokyo, bolted from the SDPJ on 20 October and joined the Tokyo Democratic Society. Since her defeat in the general election last July, Hase has decided not to wear her trademark beret. She did that to change her image, but her way of thinking has changed more than that.

Hase says: "The SDPJ pretended to resign as a group or used the cow-walk tactics when the peacekeeping operations bill was laid before the Diet. All the SDPJ did was oppose the LDP. It was pleasant to oppose the LDP, but what the LDP preached prevailed in the end. Can we say that we exhausted every means?"

After, it is said, reading Shinseito Secretary General Ichiro Ozawa's "Japan's Reconstruction Plan" 10 times, she became convinced he was right.

However, it is also true that behind her decision to leave the SDPJ lie deep signs of anxiety that she cannot win the election under the banner of the party. She says: "We cannot ignore the result of the election, can we? If the voters' answer is in the negative, we must examine ourselves and transform ourselves. The voters were in absolutely no mood to support the SDPJ."

Since her submission of a notice to leave the SDPJ, no leaders of the party have tried to persuade her to remain in the party. Instead, there has been only ridicule, such as: "She may think she is more likely to make a comeback as a Diet member if she joins the new-new party."

SDPJ Group of Ward Assemblymen Abandoned

Quite a few assemblymen bolted from the SDPJ for the opposite reason to those who left to join the new-new party.

Two red lines were drawn through the title, "Chief of Environment and International Policy Section of the Ward Assemblymen's Group of the SDPJ," which was printed on handbills for Yasushi Nunogami, who was supposed to run on the SDPJ ticket in the Nakano Ward assembly election in the spring of 1995. Nunogami, who saw the SDPJ's basic policy change completely, as well as a recent hike in the consumption tax rate, left the party, saying: "I cannot keep up with the SDPJ any longer. I want to go along with those who advocate "protection of the constitution."

Five thousand handbills went to waste. Five hundred posters had to be torn down from bulletin boards within the ward.

Nunogami said: "I was urged to remain in the SDPJ and to exert myself for the party. Although I am an advocate of 'protecting the constitution' within the party, to the voters I am nothing but a member of 'that SDPJ'."

In late September, an assemblyman from Kiyose city, Tokyo and an assemblyman from Komae city, Tokyo submitted a notice of secession to the SDPJ. Both of them are budding, first-term assemblymen. Nobuyuki Shimizu, the Komae assemblyman, said: "I was struck dumb by a marked discrepancy between the SDPJ's public pledges and what the party did—approval of Japan's bid for permanent membership of the UN Security Council and approval of a consumption tax hike." Tetsuya Fuse, the Kiyose assemblyman, said: "In order to maintain the reins of government, the SDPJ changed so much that it went so far as to play a role in promoting a consumption tax hike. The SDPJ is no longer on the side of workers and ordinary people."

Both of them are awaiting the early arrival of a dependable, new party which advocates "protecting the constitution."

Hurdles to Unifying Political Forces Which Advocate 'Protecting the Constitution' Because of Different Expectations

However, there are signs of tangled expectations among the politicians who should be responsible for forming a new pro- constitution party.

Toward the end of last year, when the political reform bills were passed by the House of the Representatives, former dietman Tetsu Ueda left the SDPJ, forming "Akatsuke," a new pro-constitution party.

Ueda said: "As far as protecting the constitution is concerned, even Masaharu Gotoda and Yohei Kono of the LDP advocate that. It is meaningless, therefore, to join forces in the name of protecting the constitution, and say, 'Jaywalking is nothing to be afraid of if it is done in a group'."

To make the voices of "individuals" heard, Ueda formed a "society of lone wolves" together with Maki Paul, a TV personality, and others; they are tackling the problem of local garbage collection as well as the problem of expressway charge increases.

"We want to spread our wings toward liberal forces and to ask them to join with us," says Hideo Den, representative of a new party, "Liberals for Protection of the Constitution," launched in September by four Upper House members, including Masao Kunihiro. Den even regards the LDP forces as possible allies.

Former SDPJ Dietman Kazuo Saito, who left the party in September, together with 30 members of the SDPJ's Setagaya chapter, established "Tokyo Preparatory Society for a New Pro-Constitution Party." Saito is groping after a unity of forces advocating protection of the constitution, saying: "We are no match for the big parties unless we can form a network within a year."

In an attempt to unify these three different pro-constitution groups," a "leaders's meeting to unify the new political forces for protection of the constitution" was held on 11 October under the auspices of Akira Iwai, former secretary general of the General Council of Trade Unions of Japan, and others.

However, things are unlikely to go smoothly. Representative Den, who attended the leaders' meeting, warned of the dangers of too hasty a union, saying: "Gathering only southpaws does not make a team strong in striking out batters." Who will be the leader and how will the union be affected by the collision of strong personalities? The scenario has yet to be drawn.

A lot of influence has been exerted on labor unions which have supported the SDPJ. On 19 October, all the union members of the Southern Tax Branch of the Tokyo Metropolitan Workers's Union, comprising tax office workers in Shinagawa Ward, Ota Ward and others, voted on their executive organ's proposal to join a communist-influenced labor union, "Jichiroren" [as published] by leaving the "Jichiro" [All Japan Prefectural and Municipal Workers' Union], to which they belong at present. The proposal failed to win a majority and was rejected. However, a labor union source said: "Political party developments do not immediately affect labor unions, but the effects will be felt about a year later like a body blow. Now is the best time for the Japan Communist Party [JCP] to take the offensive because the SDPJ is in tatters. SDPJ-influenced labor unions have a sense of crisis."

The SDPJ in Tokyo is being split by its own coalition partner.

One of the busiest politicians in Tokyo now may be dietman Naoto Kan from the seventh electoral district in Tokyo. Although Kan belongs to Sakigake [Harbinger] now, he was originally a member of the United Social Democratic Party [USDP] and was close to the SDPJ.

On 15 October, "Sakigake Tokyo," which corresponds to the Tokyo branch of the Sakigake, was formally launched with a membership of about 670. Kan, who serves as its representative, emphasizes: "The Diet is of course important. But, in order for a political party to have a wide range and a large spread, it is important to establish local organizations."

Moves Being Made To Respond to Sakigake Organizational Expansion

Sakigake at once decided on 19 primary authorized candidates for next spring's local elections.

The party has begun to advertise for candidates by setting the goal that "plural candidates will be put up in each electoral district for the municipal assembly elections in Tokyo."

While the organizational expansion of Sakigake is in progress, both incumbents and former assemblymen of the SDPJ have begun to leave the party and join Sakigake.

Tokyo Metropolitan assemblyman Tetsu Katayama (representing the third electoral district in Kita-Tama), who has been active as a SDPJ member for the past 20 years, including three terms as a Chofu city assemblyman, abandoned the party at the end of July. He said: "Although the SDPJ is said to be a reformist political party, it has factions within it and it retains conservative elements by nature. With the collapse of the LDP's one-party rule, the SDPJ has been left behind in the march of progress and has lost its reason for existence."

Kumiko Yoneyama, a former Tokyo Metropolitan Assembly member from Edogawa Ward, left the SDPJ just before the formal establishment of "Sakigake Tokyo." She was elected as an independent in 1989, when the so-called "Madonna sensation" was at it height. She later became an SDPJ member, and ran for the following election as an authorized candidate, though finished first on the list of unsuccessful candidates. She said she was in no mood to entrust her political life to the SDPJ after seeing its actions in the coalition administration.

She said: "Discussion conducted by the SDPJ has gradually become inward-looking, and it has become quite unintelligible to outsiders. The policy of the SDPJ is influenced by the intentions of organizations like labor unions, and the organization of the SDPJ is such that individual members cannot rely on themselves. The SDPJ has become exhausted."

Because she had been supported by the All Japan Prefectural and Municipal Workers' Union, it took several months to bring the talks to a conclusion. It was early in September that her notice of withdrawal from the SDPJ was formally accepted by the party. She consulted dietman Kan, and decided to join Sakigake.

Dietman Kan parries questions on his approaches to other parties by saying: "There are cases in which I have called on my old acquaintances, but I am looking for people who want to join the Sakigake voluntarily. I have no intention of inducing people to join the party by force."

A Tokyo Metropolitan assemblyman commented on dietman Kan's approach by saying: "Each party has long been in close contact with Kan in order to take advantage of his political appeal. Conversely, the contacts Kan has cultivated have become his political assets now."

The SDPJ's Means of Survival is Electoral Cooperation With the LDP

In the local elections held in 1991, the SDPJ had 253 candidates running in Tokyo, including recommended candidates. As a result of the SDPJ's ebbing fortunes, the party this time has limited itself to 200 candidates. However, the number of applicants for the SDPJ's authorization, which was reported recently by the executive committee of the SDPJ Tokyo Metropolitan Headquarters, was only about 50 percent of the target—102 people.

The number of incumbents who have yet to apply for authorization was as many as 69 people as of 19 October. Among those who have already applied for authorization there are many who, like the two assemblymen from Edogawa ward mentioned above, are undecided on whether or not they should run for the elections on the SDPJ ticket.

The SDPJ is full of people who are expected to leave the party, and a big collapse in the party's foundation has begun—the change in SDPJ basic policy under the coalition government with the LDP; apprehension about SDPJ members can survive as assemblymen under the single-seat constituency system; the low approval rate for the party. The SDPJ is in a critical condition everywhere in the country, but a change in the central political world directly hits Tokyo and the rise and decline of the party is most radically manifested in Tokyo, where a multiparty trend began earlier than elsewhere and where there are many floating votes.

"We do not persuade people to remain in the SDPJ if they want to leave the party. The reason is that in such a fluid political situation, no matter how hard we may consolidate the inside of the party, that effort is likely to come to naught solely on the decision of the party's central organization," says Hidejiro Kawai, chief secretary of the SDPJ Tokyo Metropolitan headquarters, who wants to preserve the party organization.

What Kawai is going to promote now is electoral cooperation with the LDP. The weakness that the LDP and the SDPJ share is in the urban districts. Kawai says: "It is a kind of electoral cooperation for either of the two parties to refrain from fielding its own candidates in certain electoral districts. Actually, the LDP and SDPJ supporters have changed so much that there is no great difference between them."

However, Kawai has no clear strategy beyond that. When he meets the SDPJ's municipal assemblymen now, he says: "Do not just move around in confusion. Now is the time for us to conserve energy. We must cultivate such support as is willing to say, 'I will cast my vote only for you.' Let us stick together and be prepared for the next development."

However, while we, AERA staff members, were gathering news material, we heard SDPJ members in Tokyo say the same thing: "The role of the SDPJ is now over."

Upper House Pacifist Members Form New Party

OW1511131694 Tokyo KYODO in English 1217 GMT 15 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO—A Social Democratic Party (SDP) splinter group of five lawmakers from the House of Councillors held its first Party Congress Tuesday [15 November] and proclaimed a pacifist tenet in accordance with the Constitution.

The upper house members, led by Hideo Den, created the new party in September after leaving the SDP to protest SDP-supported political reform bills.

The party calls for curtailing the Self-Defense Forces, transforming the U.S.-Japan security treaty into a friendship treaty and creating a new organization for international cooperation.

It also urges the government to clarify Japan's responsibility in World War II and opposes a hike in the consumption tax.

Den told a press conference that the party hopes to field more than 100 candidates for local elections next spring.

Coalition Maneuvers on Tax Reform Examined

952A0066A Tokyo YOMIURI SHIMBUN in Japanese 8 Oct 94 p 9

[By reporter Junichi Abe]

[Text] The ruling coalition has drawn up the outline for its tax reform plan, based on a package including a consumption tax increase (to 5 percent) and income tax cuts. Legislation relating to this plan will be submitted to the Diet, now in extraordinary session. It looked as though the tax reform plan would be postponed when the Murayama government, a coalition government consisting of the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger] took office (30 June), since the plan included raising the consumption tax rate. What tactical moves were made prior to the decision to process the tax reform plan as a package including both increases and cuts? What was the impetus that spurred reforms? How was the new consumption tax rate of 5 percent arrived at? We took a look behind the scenes to uncover the story of the two-and-a-half-month-long debate over tax reforms.

Force Behind the Package Deal

"If we discuss tax cuts and the consumption tax increase at the same time, the possibility of any beneficial effect on the economy will be lost " (Yoshiro Mori, LDP secretary general).

"We can't pass this legislation as a package. But we do have to come up with a comprehensive plan" (Wataru Kubo, SDPJ secretary general).

The Murayama government is a coalition whose main components are the LDP (which is reluctant to increase the consumption tax, and which uses the possible effects of an increase on the economy as an excuse) and the SDPJ (many of whose members won their seats by waging a campaign against the consumption tax, and who will be up for reelection next year). At first, it seemed certain that the Murayama government would decide to continue working for tax cuts, and to postpone debates on increasing the consumption tax, i.e., that it would process the two reforms separately.

The seemingly impenetrable wall gradually began to collapse in mid-July. That it did so, and that the idea of processing the reforms in one package gained ground was due to the belief that "we cannot allow irresponsible tax reforms" within the ruling coalition's Tax Reform Project Team (part of the Research Commission on the Tax System), composed largely of established and young Diet representatives.

In mid-July, a document was passed from Fumihiko Igarashi (Sakigake), Policy Research Council acting chairman, to Finance Minister Masayoshi Takemura, Sakigake executives, and key members of the SDPJ's Research Commission on the Tax System. The document contained a proposal for system reforms which would establish a "two-tier tax cut," a permanent tax cut of 3.5 trillion yen, and a temporary fixed-rate tax reduction of 2 trillion yen. It suggested raising the consumption tax rate increase as little as possible. The idea behind this suggestion was that it would pave the way for processing the tax cuts and increases as one package. The same document included casual mention of raising the consumption tax rate to 5 percent for the present and to 6 percent in the future.

The Murayama government's response to the former coalition government's "Ichi-Ichi [Ichiro Ozawa-Yuichi Ichikawa] line," a "bottom-up" decisionmaking process, coupled with the newly emergent "two-tier tax cut" proposal, firmly established the trend toward tax reform.

In the meantime, the Ministry of Finance [MOF], with a heightened crisis mentality about the future of financial administration, had been conducting a desperate lobbying campaign, focusing on people like Policy Research Council Chairman Koichi Kato (LDP), and other council executives, and members of the LDP's Research Commission on the Tax System.

Additionally, in the Aichi Prefecture upper house by-election (11 September), the ruling party candidate was attacked by the opposition and by the public for his association with an "irresponsible government." These attacks were much more virulent than had been anticipated, and they caused major changes in the mood within the ruling coalition. Contrary to public statements made by the executives of the various parties, debates about tax reform began to focus on processing tax increases and cuts in one package.

The Road to 5 Percent

Once the trend toward package processing solidified, the politicians began creating a realistic scenario. The first question they had to answer was how much should the consumption tax rate, currently 3 percent, be raised? The following opinions were expressed by executives of the LDP's Research Commission on the Tax System: "We don't dare set the new rate at 7 percent. That's the rate that Prime Minister Hosokawa established for the national welfare tax, which he had to rescind after it was announced." "We can't make it 6 percent—that's the same rate the former coalition government's studies came up with."

Mindful of political considerations, as well as possible public resistance, they settled on the comfortable figure of 5 percent, which then took on a life of its own.

On 2 September, a memorandum was distributed at a meeting of the executives of the LDP's Research Commission on the Tax System, outlining the main points to be discussed. An excerpt read, "The debate is now whether to limit tax increases to ones commensurate with tax cuts, or to go with a net tax increase plan (which would involve more increases than cuts). At this point, the net tax increase plan is not a good idea."

This memorandum reflected the opinion of Koichi Kato, chairman of the LDP's Policy Research Council, that the commission should settle upon 5 percent. It had been prepared by Tatsuo Murayama, chairman of the LDP Research Commission on the Tax System, and other commission members. Its writers had already consulted with Policy Affairs Council Chairman Kato about its contents on 31 August.

At about the same time, the SDPJ, whose agreement was crucial to the package processing, was also being forced to make its decision. In April, the party's Tax Research Commission had announced its tax reform proposal, which incorporated a plan to raise welfare funds through indirect taxation. The commission was gradually moving toward deciding that raising the consumption tax rate was unavoidable, but resistance within the SDPJ remained strong.

On the evening of 29 August, Chief Cabinet Secretary Kozo Igarashi entered a hotel room in Akasaka, Tokyo, having managed to elude the watchful eyes of reporters. Awaiting him were SDPJ Policy Board Chairman Nobuyuki Sekiyama and Tax Research Commission Chairman Ichiro Hino. The purpose of this secret meeting was to determine the SDPJ's stance on tax reform and to come up with a decision that conformed to the one reached at the Prime Minister's Residence. As it turned out, the meeting had a tremendous influence on the future of tax reform.

"Our party produced the prime minister. If we make irresponsible tax cuts, the Diet will fall apart."

"Will we be able to gain the public's understanding if we do this without also proposing administrative and financial reforms, or a viable welfare plan?"

The policy that emerged after a full night's deliberation contained the framework for tax reforms, based on a consumption tax rate of 5 percent. It also included a proposal for adopting a "two-tier tax cut plan" that combined permanent tax cuts and temporary tax cuts, as well as a review clause covering administrative and financial reforms and welfare policies. Its drafters also agreed that the legislation, which should specify the consumption tax rate and the date of implementation, would have to be processed as a package. According to an executive of the SDPJ's Policy Board, "the fact that we had produced the prime minister made us feel responsible and convinced us to accept the idea of package processing." Thus was the trend set.

However, a condition was attached, one that would make the new policy palatable to SDPJ members. That condition, the intent of which was to use tax reform to improve welfare standards, was that measures to respond to welfare demands be taken starting in fiscal year 1995. It was Secretary General Kubo who had insisted on the condition, fighting till the very end for allocations for welfare funds starting in FY1995.

Two-Tier Logic

With a 5-percent consumption tax rate, there will not be sufficient resources to continue the income tax cuts, currently amounting to 5.5 trillion yen. That is why a compromise was made to institute two-tier tax cuts concurrent with the consumption tax hike.

[Boxed item: Quote No. 1: "The MOF was aiming for a consumption tax rate of 7 percent in order to justify a national welfare tax. Sakigake and other parties demolished that plan by advocating two-tier tax cuts" (Fumihiko Igarashi, acting chairman, Sakigake Policy Research Council).]

[Boxed item: Quote No. 2: "The two-tier tax-cut concept was predicated on the amount by which the consumption tax rate would be raised" (Tatsuo Murayama, chairman, LDP Research Commission on the Tax System).]

The permanent tax cut portion of the two-tier plan (3.5 trillion yen), was calculated with the 5-percent figure in mind. This was a brilliant idea from a political viewpoint. However, since it was an incomplete attempt at tax reform, it caused a huge furor in the Diet.

The decision about when to implement the consumption tax hike was fraught with difficulty. Even at the very last moment, on the evening of 20 September, at a meeting of party leaders, there was a disagreement between Finance Minister Masayoshi Takemura and Foreign Minister Yohei Kono. Takemura insisted on two years lead time before implementing tax cuts, in order to increase welfare funds by reducing resources for stopgap national bond redemption. Kono, mindful of pressure from the United States to stimulate Japanese domestic demand, wanted three years lead time. A decision was finally reached to allow three years lead time before implementing tax cuts. Along with the bewildering tax-reduction figure of 5.5 trillion yen, the shadow of the United States had loomed over the deliberations.

What Was Really on the Finance Minister's Mind?

Conjecture was rife about how Finance Minister Takemura really felt about tax reform.

While the groundwork was being laid for a consumption tax rate of 5 percent, even after August had passed, the finance minister was saying, "If we postpone our decision on tax reforms for three months, or even six months, administrative and financial reforms will have taken shape by then. If we adopt the two-tier tax reduction plan, even with a consumption tax rate of 6 percent, we'll be able to make tax reforms that will solve the welfare problem." In his unofficial discussions with LDP and SDPJ figures, he continued to propose the 6-percent figure. However, since his proposal might very well have forced a postponement of tax-increase legislation, MOF bureaucrats found it unpalatable, claiming that "it wouldn't be possible to meet welfare demands."

On 26 August, in the finance minister's office on the second floor of the MOF building, Takemura's face was red with anger. He was supposed to be holding a meeting to prepare for a televised debate on 28 August. But he was holding in his hand a tax reform proposal prepared by the ministry's Tax Bureau. The proposal incorporated most of the demands from the ruling coalition, such as a consumption tax rate of 5 percent, two-tier tax reductions, and a review clause.

"We won't get everyone to agree on 6 percent. We will only be able to determine tax reductions, and our response to the welfare issue will only be postponed, without any guarantees for the future" (Tax Bureau).

"If you made the administrative reforms you ought to be making, the public would accept the 6-percent figure" (Takemura).

The two lines of argument continued in parallel. Takemura did not reject the package plan, saying only, "Do it if you can." When he appeared on the television debate, though he predicated his statements with "speaking in my capacity as finance minister," for the first time he demonstrated a positive attitude toward the plan. But he never expressed his opinion as head of Sakigake, leading people to speculate that he really wanted to postpone the decision on tax increases.

Another reason the finance minister was insisting on two years of lead time for tax cuts, one that he revealed to his associates, was that, if the consumption tax increase were to be implemented in April 1997, even with the review clause, "we'll lose the impetus needed to make administrative reforms, and to decide what to do about the welfare problem."

The Prime Minister's Resolve

Even when 28 August came around, Prime Minister Murayama, who had said, "I'm not going to be dogmatic about including tax cuts and increases in one package," had still not revealed his true intentions. He did not do so until 22 September, the deadline for deciding on the tax reform plan.

[Boxed item: Quote 3: "I think that the prime minister made his decision quite quickly. When I visited him at his official residence on 14 September, he seemed to be leaning toward accepting the plan that was finally approved. He was saying that he thought a consumption tax rate of 5 percent and two-tier tax reductions were a good idea" ([Naoki] Minezaki, assistant chairman, SDPJ Research Commission on the Tax System).]

The prime minister's "passivity" seemed to be intentional, designed to reverse the flow of the debate within the ruling coalition, to allow the debate to "ripen" by letting it work from the bottom up.

SDPJ Secretary General Kubo and LDP Secretary General Mori were unenthusiastic about package processing until the final stages of the debate. However, early on Kubo expressed his opinion to the executives of the Research Commission on the Tax System, i.e., "If the commission produces a general outline, I will accept responsibility for getting it implemented." It is very likely that he assumed the role of spokesman for the SDPJ's position.

"I don't object to package processing, if it comes to that, but please come up with a plan that will make it possible for us to explain how tax reforms will improve the welfare situation."

Kubo finally revealed his true intentions on 20 September, the day the three top-ranking posts in the SDPJ were assigned.

Even so, when Kubo was told by the MOF of the 50 billion yen in temporary welfare benefits in anticipation of price slides, he bristled and said, "This is the same figure that the Research Commission on the Tax System came up with. Are you going to play the same card again?" On the morning of 22 September, the MOF presented a proposal for increasing welfare funds gradually, starting in FY1995. This plan was what finally won the acceptance of the SDPJ.

[Boxed item: Quote 4: "Even though Secretary General Mori repeatedly made statements implying that he would accept separate handling of tax cuts and tax increases, I wasn't at all worried. They were motivated by political considerations" (Nobutaka Machimura, deputy chairman, LDP Policy Research Council).]

Rumors spread concerning two possible interpretations of Mori's passive statements. One was that he was waiting to see how debates within the LDP, where the overall mood was cautious, and the SDPJ progressed, attempting to balance the positive and negative arguments, and then search for a compromise. The other, that Mori was trying to restrain Policy Research Council Chairman Kato, with whom he was vying for leadership of the LDP, still persists.

Last Act on Thin Ice

The SDPJ's antics kept everyone's nerves on edge until the very last minute. One false move would have shattered the fragile structure of the tax reforms, which had been put together in a series of painstaking processes. The situation was so uncertain that on 21 September, while the SDPJ was having final consultations over welfare funding with bureaucrats from the MOF's Budget Bureau, their counterparts in the Tax Bureau across the hall were secretly preparing a government announcement to use in case it was decided to process increases and cuts separately.

On the evening of 22 September, when the tax reform plan was decided, one party executive commented, "I was constantly afraid that if one part of the plan collapsed, the entire flow might change all at once. I'm glad it's settled."

That risk was the price they were paying for working on tax reforms, abandoning concrete proposals for welfare and administrative reform. The curtain has gone down on the first installment of the tax reform drama series, but the bell announcing the raising of the curtain on the second installment, one fraught with difficult tasks, has already rung.

Did the MOF Choreograph Its Own Defeat?

"We must not silence voices demanding tax reductions. They are the sparks of political reform. We must let them smolder until the atmosphere is right, but it will be difficult to regulate them."

These words were whispered by a MOF official last February, in the midst of the Heisei recession. At that time, both industry and labor were clamoring for large-scale tax reductions. The Miyazawa government was in office and, in those days, even discussing a consumption tax increase was taboo. Nineteen months have passed since then. The atmosphere has changed, and it has become possible to hold such discussions. The 1955 order has collapsed. There have been three changes of government (the Hosokawa, Hata, and Murayama governments). The ruling party has decided upon a tax reform plan that would raise the consumption tax rate beginning in April, 1997.

The tax reforms (a consumption tax rate of 5 percent and a two-tier tax reduction) is certainly not the same as a national welfare tax (7 percent), but the fuse that sparked the tax reform debates was none other than tax reductions.

The national welfare tax concept, when first proposed by Prime Minister Hosokawa (and reportedly choreographed by the MOF), was set at 6 percent, and was to be implemented two years prior to the "final" tax increase. After the idea was scrapped, an MOF official complained, "We thought that if we allowed three years lead time for tax cuts, the SDPJ might agree, so we set the tax rate at 7 percent."

During the Hata administration, the MOF was criticized for proposing a welfare tax without having acquired the necessary resources, and used that criticism as part of its offensive. The ministry issued a pro forma estimate showing that it could not guarantee welfare funds unless the consumption tax were raised to 7 percent or higher. Meanwhile, one official admitted that "if we can obtain agreement on 5 percent, we'll accept 5 percent."

Behind all this one glimpses a heavy-handed strategy: plant the image of the MOF pushing for large-scale tax hikes, and then show the MOF defeated.

Members of the ruling coalition's Research Commission on the Tax System prided themselves that "these tax reforms were not forced on us by the bureaucrats." The MOF bureaucrats carried out their roles as prompters to the utmost.

The Murayama government deserves credit for having made it possible to process tax cuts and increases as one package. For a time, almost everyone believed that this would never happen. However, this is just the very first step in the direction of radical tax reform. If the politicians don't stop making deals and playing political games, and don't begin to hold serious discussions about welfare and financial administration, we stand little chance of being able to provide for our aging society in the 21st century.

Government Advisory Council System Examined

952A0067A Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 Oct 94 p 9

[By economic critic Katsuto Uchihashi]

[Text] Preparations are under way for many systems to give the public an opportunity to influence policy. The government's Research Commission on the Tax System, whose goal is to reform the tax system, will hold public hearings all over Japan. When the occasion arises, similar events will take place, focusing not only on tax reform, but also on the adoption of new policies, system reforms, and other issues. The purpose of these events is for the administration to listen to what the public has to say, and to obtain its agreement.

Such events will include hearings, "cabinets for a day," study groups, and symposia. Previously, hearings have been held to ascertain residents' views every time the establishment of a new nuclear power plant or the expansion of an existing one has been proposed. Thus, residents have been able to participate in the policy-making process, and the administration has been able to adhere to its schedule.

One of these systems, the government advisory council system, plays a pivotal role in policymaking. Each ministry or agency has as many as 25 of these councils. Outside specialists and experts are recruited to draft policies. They also attempt to balance conflicting interests among various industries or among the ministries and agencies themselves. Therefore, one might conclude that most of the policies drawn up in the councils reflect public opinion.

Who's Watching the Administration?

However, the councils have long been criticized for neglecting their responsibilities, and merely pretending to seek out public opinion. In 1976, this writer studied the councils to find out how they really operate. The results of his investigation were published as a special report. Judging from more recent criticism of the councils, it is obvious that reforms to this particular system are proceeding very slowly.

The councils are frequently accused of acting as a "cover" for the administration. Twenty years ago, this writer, in an attempt to describe the councils accurately, wrote that "the councils are not a cover for the administration, they are the administration's promoters." Since then, no attempt has been made to reform the council system, i.e., to force it to operate as originally intended. Instead, the "promoter" aspect of councils has become more pronounced.

What exactly is the council system? It is difficult to justify or explain it, and its role has become increasingly vague and ceremonial in nature. Administrative reform is important, but before that can take place, work must begin on reforming the council system.

The legal basis for the council system is the National Government Organization Act. Article 8 of that law states that "government ministries and agencies may establish advisory organizations to oversee the handling of important matters, such as research, investigations and the screening of complaints, through consultations with persons who possess the necessary expertise and experience."

One of these advisory organizations is the council. Its role has been defined as "overseeing the handling of important matters, such as research, investigations and the screening of complaints, through consultations with persons who possess the necessary expertise and experience." The reason for establishing councils, their role, their composition, the opinions expressed at council meetings, and the councils' relationships with the administrative organization, which those opinions would necessarily reflect, all remain extremely vague.

Here are some responses from bureaucrats to attacks on the councils:

"The function of councils is to advise the administration, not to monitor it" (Ministry of Finance [MOF]).

"I feel that the administration should make its own judgements about which policies should be promoted, and make them more subjectively, without relying on the councils' stamp of approval" (Ministry of International Trade and Industry [MITI]).

"We have been criticized because there are so many former bureaucrats on the councils. But it is truly in the public interest to take advantage of their deep insight and specialized knowledge, gained through experience" (Ministry of Transport).

Some describe the councils as "advisory organizations," while others view them as "settings for discussion whose purpose is to disseminate the objectives of the administration." When told of these two interpretations, the chairman of one of the councils, recalling the birth of the council system, made the following comment. "As the administration became more specialized, the number of problems that could not be handled within its organizations increased, and it became necessary to obtain the counsel of specialists from the private sector."

He added that "in present-day society, various social interests conflict in a complex manner. There is an increasing number of matters on which the administrative organizations cannot rule without outside assistance. Therefore, it has become necessary for the administration to allow representatives of the interested parties to voice their opinions, and to balance those opinions, in order to hand down a fair, appropriate judgment." However, a look at postwar history tell us that the true purpose in establishing the council system was 1) to prevent the resurrection of the sort of mentality that existed before the war, i.e., favoring the government over the people, as well as to forestall the revival of the sort of bureaucrats who populated the Ministry of Home Affairs, and 2) to make it possible for public opinion to be reflected in every area of administration. The system was meant to monitor the administration, and to keep it from going off on its own. The councils were not intended to be advisory organizations.

Riders Not Represented in Fare Increase Debates

Unfortunately, we must report that the way the councils operate bears little resemblance to the way they were meant to function, from the way in which their deliberations are conducted, through the way their members are chosen, to the way their conclusions are implemented.

First, we will take a look at the members of these councils. In 1976, there were 246 councils. Currently, there are 215, or some 3 percent fewer. In 1976, the total number of council members was 5,119. The Prime Minister's Office led with 70 councils, MITI had 36, the Ministry of Health and Welfare 25, the MOF 20, the Ministry of Education 18, the Ministry of Labor 15, and the Ministry of Transport 12.

At that time, the majority of council members (36.9 percent) were from the financial sector or were representatives of groups connected with that sector. The next most numerous group (23 percent) consisted of bureaucrats and former bureaucrats. Next came academics (20 percent) and representatives of the media (5.3 percent).

The councils were characterized by the large number of bureaucrats and former bureaucrats on their membership lists, both in the total number of members and in the number holding important committee posts. Councils with important functions, ones that involved the granting of permits and licenses, were most often dominated by bureaucrats. The Transport Council had total control over the establishment of new routes, the alteration or abolition of existing routes, and over fare increases, for land, sea, and air transportation. Without a recommendation from that council, even the hands of the minister of transport were tied. The Transport Council's membership was as follows: two former Ministry of Transport bureaucrats, one active administrative vice minister, one bureacrat from the Ministry of Home Affairs, one from the Ministry of Justice, and one representative from the (former) National Railway Workers' Union. Thus, six of the seven members were bureaucrats or former bureaucrats, and half of them were Ministry of Transport bureaucrats.

Not one person representing the interests of the users of Japan's railways was on that council. The idea that those who use the trains have no business participating in debates on railroad fare increases has become established at the Ministry of Transport, as well as within the council.

Then, who does participate in the debate? The answer forthcoming is, "companies who stand to gain or lose as a result of the fare increase requested by another company or companies." In other words, it is competing companies who are the "concerned parties."

The basis for this idea, which defies common sense, i.e., that it is rival companies, and not the riders who will suffer deleterious effects from fare increases, goes back several decades. Here is how it happened. Originally, the main function of the Transport Council was to approve "route licenses." After World War II, during the reconstruction period, there was a continuing battle among bus and railway companies throughout Japan over routes. This was a battle for licenses, and the council was flooded with competing applications for rights to the Inland Sea waterways and from regional private railways for routes.

In those days, it was the Transport Council's duty to pass judgment on these battles between companies. Since it was making these judgments, the interested parties were in fact the competing companies. But the age of competition for new routes has passed, and has been replaced by a new one in which the focus is on fare increases. Even when the times changed, and the majority of proposals brought before the council were not applications for routes, but for fare increases, the council continued to operate just as it had decades ago.

That is why no one thought it strange that not even one council member represented the users of transportation services. This mentality also prevails in all the councils, which steadfastly refuse to change with the times.

The councils have never been inspired to undergo reforms. All of them operate under circumstances similar to those described above. There is no law stipulating that council members must be bureaucrats. Aside from the rule stating that the administrative vice minister for transport automatically becomes a member of the Transport Council, the only requirements are that a member "be 35 years of age or older and demonstrate extensive experience and a high level of knowledge."

What we have is a kingdom ruled by bureaucrats. The bureaucrats have total control over council personnel. It is they who decide whom to appoint to the councils. No matter how loudly they claim to be fair and neutral, there is no chance whatsoever of anyone who might act against their interests being appointed to a council.

Members From Academia

The second major characteristic of the councils is the large number of members from academia. They are outnumbered only by members of related groups, and by bureaucrats. Most of the councils whose rosters are filled with names of representatives of related groups are those responsible for balancing interests or producing rulings. This situation is acceptable to a point. Academics are selected as members in the hope that they will use their considerable knowledge in arriving at a fair, neutral judgment. In councils where interests conflict seriously, the academics, as third parties, state their opinions and guide the council to as just and fair a decision as possible. This is the role that they are expected to fulfill. It is not, however, what they do.

The roots of "council connections" run deep. There is a clear distinction between academics who are selected as council members, and those who are not selected under any circumstances. According to a Ministry of Finance [MOF] bureaucrat who takes part in the selection process, "Ostensibly, we base our selections on the scholar's accomplishments and his status in the academic world. But our real priorities are his political power, influence, and effectiveness. If we're considering several professors, we'll choose the one who is the most influential at his institution and in his field. Any academic who is quoted often is thought to possess implicit influence, and his name is added to the list. Any academic whose views, even his scholarly views, are diametrically opposite those espoused by the selectors is eliminated from consideration.

Key positions are held by academics who are the leaders of a particular school of thought. Even after their term of service on a council has ended, they retain the "right" to decide who gets the key positions on that council. This right is retained even if the manager or bureau chief at the relevant ministry or agency changes. This is a common situation in councils affiliated with the Ministry of Justice and the Ministry of Health and Welfare.

The nature of bureaucrats is such that they strongly resent having their proposals torn apart, revised, or opposed. When an opposing opinion is expressed, it is important to have "eminences grises" on the council who can stifle the objector, and restore order within the council. Many councils often have a triumvirate of these elders on their membership lists.

The elders recommend academics of whom they approve as council members, and their recommendations are almost always respected, thus reinforcing the preponderance of one viewpoint on the councils. One academic who attempted to expose the inner workings of the councils said, later, that "the council wasn't what I had expected." But a real scholar who sees through the true nature of the councils would never join one in the first place. The selectors and the selected are both fully aware of the situation before the fact.

The third characteristic is the closed nature of council meetings. Most of them are unannounced, and the matters discussed, as well as who said what remain secret forever. The Ministry of Justice's Legislative Council, charged with revising the Penal Code and the Juvenile Law, conducted all of its discussions behind closed doors, even though these are important topics in this age.

In January 1976, two members of the Juvenile Law Subcommittee of the Legislative Council recommended by the Japan Federation of Bar Associations and two council executives submitted their resignations, resulting in the resignation of the entire membership. This incident occurred because the Japan Federation of Bar Associations had suggested amendments to a proposal submitted by the subcommittee chairman. The federation's proposal was quickly rejected in its entirety. The federation was promised that its views would be included in the council's interim report, but that promise was not honored. The records of this incident have remained a closely guarded secret, which is symbolic of the undemocratic way in which the councils operate.

What more can we expect of the councils, when they shrink from their duty of obtaining consensus on policies?

Mongolia

Country Expresses Hope To Join APEC, ASEAN

OW1011122394 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Nov 94 Morning Edition p 9

[FBIS Translated Text] Mongolian Deputy Prime Minister Choyjilsurengiyn Purebdorj gave an interview to NIHON KEIZAI SHIMBUN on 7 November. Purebdorj is currently visiting Japan to attend the international conference on aid to Mongolia, which is to open in Tokyo 8 November. During the interview, he indicated that Mongolia strongly hoped to participate in regional dialogue frameworks, such as the Asia-Pacific Economic Cooperation (APEC) forum and ASEAN, and he sought Japan's understanding. Concerning poverty problems at home, he stressed that his country had worked out a "poverty elimination project" to reduce the rate of impoverished people to 10 percent of the population by 2000. He then sought assistance from Japan and other countries, saying: "To achieve our goal, about 80 million U.S. dollars will be needed." He also called for the continuation of the international conference on aid to Mongolia.

At the outset of the interview, the deputy prime minister explained Mongolia's foreign policy. He said: "We will strengthen bilateral relations. At the same time, we will participate in multilateral regional cooperation." He also noted: "The APEC forum is a very important organization for regional economic cooperation. So we would like to join it." Regarding the ASEAN regional forum inaugurated this year, Purebdorj said: "We think the forum has a bright future as a framework for regional peace and stability. Mongolia supports the forum and hopes to join it."

Touching on domestic issues, the deputy premier noted that Mongolia brought down the inflation rate to 4.5 percent on average this year, although the rate was double figures until last year. He also predicted that the gross domestic product (GDP) growth rate would rise to 2.5 percent this year.

North Korea

More Nations Hail North-U.S. Agreed Framework

SK1411102794 Pyongyang KCNA in English 1007 GMT 14 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Functions took place in different countries to support the DPRK-USA agreed framework.

First Secretary of the Maputo City Committee of the Mozambique Liberation Front Party Amaral Matos said in his speech at a meeting held in-Mozambique on November 2 that the Korean people won victories one after another in socialist construction, the struggle for national reunification and confrontation with the United States under the wise leadership of the outstanding leader Comrade Kim Chong-il.

Noting that with the adoption of the agreed framework the might of the Korean people united firm around the outstanding leader was manifested, the secretary stressed that the United States must unconditionally implement the promise with the Korean people.

A letter to the dear leader Comrade Kim Chong-il was adopted at the meeting.

Nzemba Yangana, chief of the Zairean youth group for the study of the chuche idea, said at a meeting held in Zaire on November 3 that the agreed framework is a historical document for a fundamental solution to the nuclear issue on the Korean peninsula. He pointed out that remaining is how the United States implements the framework.

A statement adopted at the meeting urged some conservative forces of the United States and the South Korean authorities to do good for implementation of the agreed framework.

A lecture supporting the DPRK-USA agreed framework was given by the Harare Provincial Committee of the Zimbabwe African National Union-patriotic Front.

Dismantling of Wall Along MDL Urged Abroad

SK1411102394 Pyongyang KCNA in English 1003 GMT 14 Nov 94

["Concrete Wall Must Be Demolished"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—The world public demanded the dismantlement of the concrete wall built by the South Korean authorities in the area south of the Military Demarcation Line [MDL].

A lecture was given in Denmark on October 24 under the title "The Concrete Wall, the Most Shameful One in the World Built by the South Korean Authorities for the Permanent Division of Korea, Must Be Pulled Down at Once."

Radio FM 91 of Cambodia reported on October 26 that the concrete wall, a barrier to the reconciliation and reunification of the Korean nation, shows as a living evidence who is the originator of division in the Korean peninsula.

If the South Korean authorities intend to contribute a little to the desire of the nation and the reunification of the country, they should pull down the wall of division and confrontation without delay, said the radio.

Antena Uno radio of Peru held on October 28 that if the South Korean authorities truly want the peaceful reunification of the country, they should demolish the concrete wall and put forward a practical way to achieve the reunification of Korea.

Daily Criticizes ROK's Kim Yong-sam 'Regime'

SK1511065594 Pyongyang KCNA in English 0444 GMT 15 Nov 94

["Destruction of Anti-National Group Draws Near"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—NODONG SINMUN today carries a signed article on the serious crisis into which the Kim Yong-sam "regime" has been driven by the repeated setbacks of its anti-national, anti-reunification internal and external policies.

The Kim Yong-sam group itself is to blame for its utter isolation, the article says, and goes on:

The traitor Kim Yong-sam totally severed the North-South relations and brought dark clouds of a nuclear war over the Korean peninsula by raising outcries over non-existent "nuclear problem" of the North, acting on a script put in his hand by outside forces.

The Kim Yong-sam group resumed the "Team Spirit" joint military exercises which had been suspended, thus leading the situation to a super tension that could be seen on the eve of a war and increasing the uneasiness about a nuclear war among the fellow countrymen. The Kim Yong-sam group, a group of heinous traitors, committed a treacherous folly, begging for "sanctions" against fellow countrymen and a halt to the progress of the DPRK-U.S. talks in the international arena. It is making desperate efforts to destroy the patriotic democratic forces including students who are following the chuche idea by mobilizing all the repressive tools.

After all, the Kim Yong-sam group has made itself a target of overthrow by the people and put itself in a hopeless crisis as today by trying to block independence, democracy and reunification by its anti-independent, anti-national criminal acts.

The South Korean people call for settling accounts with the Kim Yong-sam group for its anti-independent, anti-national acts and ousting it from the seat of power.

Such treacherous clique as the Kim Yong-sam group will be decisively removed by the South Korean people and the entire fellow countrymen.

Rally Urges Repatriation of Prisoners in ROK

SK1611050994 Pyongyang KCNA in English 0411 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—A Pyongyang mass rally was held at the People's Palace of Culture today to urge the repatriation of old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, to the northern half of the country.

Present there were Yang Hyong-sop, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chairman of the Supreme People's Assembly; Kim Yong-sun, secretary of the WPK Central Committee; Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party, and others.

Speaking at the rally, Paek Nam-chun, vice-chairman of the Korean committee for measures to rescue unconverted long-term prisoners in South Korea, said that old Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, are true patriots with indomitable will who have steadfastly kept their faith in the socialist motherland, not yielding to all tortures and persecution by the hangmen for more than 30 years in prisons after being arrested while fighting against the enemy during the fatherland liberation war.

The demand of these old men to be sent back to the northern half of the country is wholly justifiable in view of the international law on the pows and of the humanitarian principle, he stressed.

Noting that the Workers' Party of Korea and the government of the DPRK have taken all possible measures to bring them to the bosom of the motherland, the speaker said that the South Korean authorities refuse to send these old men back to the DPRK not because the latter were "guerillas" and "violators of law" and "acquired (South Korean) citizenship," but because they fear the demonstration of the advantages of Korean-style socialism and the exposure of the anti- popular nature and corruption of the South Korean society.

Stating that South Korea has today been reduced to the worst barren land of human rights in the world, he said that it is a thinly veiled hypocrisy for them to take issue with "the human rights" in the North and vociferate about "mutual visits of separated families" and "exchange" while ruthlessly trampling upon the opnentary human rights of the South Korean people and fearing even the return of a few pows to their hometowns.

"The problem of sending back the unconverted long-term prisoners to the northern half of the country is not merely a matter of the reunion of separated families, but is an humanitarian issue and a human rights issue concerning love, obligation and conscience of humanity," the speaker noted.

Pak Se-tok, vice-chairman of the Human Rights Study Association, Kim Chong-sik, a war veteran, and Kim Hwa-sim, a daughter of unconverted long-term prisoner Kim In-so, made speeches at the rally.

The speakers demanded that the South Korean authorities return the unconverted long-term prisoners to their hometowns at once as demanded by them and in conformity with humanitarian idea and international law.

More Letters Sent on Repatriation

SK1411103394 Pyongyang KCNA in English 1012 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Letters were sent to the U. N. Commission on Human Rights and the Amnesty International by Bangladeshi and Mozambican organizations in demand of the repatriation of unconverted long-term prisoners in South Korea to the North.

The Bangladesh committee for the repatriation of unconverted long-term prisoners to the North in its November 3 letter to the U.N. Commission on Human Rights recalled that old Kim In-so, Ham Se- hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea, were kept in prison for more than 30 years and are still barred from returning to the their hometowns where their families and relatives are waiting for them. It asked the U.N. Commission on Human Rights to exercise its influence on the South Korean authorities for the realization of their repatriation.

The Mozambican Committee for Friendship With the People of the Democratic People's Republic of Korea in a letter to the Amnesty International on November 7 said the old Kim In-so, Ham Se-hwan and Kim Yong-tae are not allowed to return to their hometowns where their families are awaiting for them. "And we make it clear that this is because the 'National Security Law', the worst law in the world, holds sway in South Korea," the letter added.

The letter expressed the hope that the Amnesty International would roundly expose the inhumane act of the South Korean authorities and cooperate in an early repatriation of the unconverted long-term prisoners to their hometowns.

Rally Against Uruguay Accord Said Held in Seoul

SK1611103594 Pyongyang KCNA in English 1004 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—About 150 members of the National Alliance for Democracy and Reunification and students held a rally in Seoul on November 12, opposing an early ratification of the Uruguay Round accord and urging self-determined diplomacy, a radio report from Seoul said.

In a resolution, they expressed opposition to the plan of the "government" and the ruling party concerning the "parliamentary ratification of the Uruguay Round accord" and urged the "government" to lodge a stern protest against the U.S. bill on the implementation of the accord.

After the rally, they held a street demonstration.

Complaint in ROK on 12 Dec 'Coup' Reported

SK1611052994 Pyongyang KCNA in English 0424 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—Twenty-two people including former "Army Chief of Staff" Chong Sung- hwa who had brought an action against the chief culprits of the "December 12 army purge coup" lodged a complaint with the Supreme Public Prosecutor's Office on November 12, demanding the trial of the traitors Chon Tu-hwan and No Tae-u, according to a radio report from Seoul.

They had made a complaint with the Seoul High Public Prosecutor's Office against the decision of the Seoul District Public Prosecutor's Office not to prosecute the defunct dictators who led a bloody revolt.

With the complaint turned down, they lodged another complaint with the Supreme Public Prosecutor's Office.

In the complaint, they criticised the dismissal of their complaint at the Seoul High Public Prosecutor's Office as an abuse of the authority of prosecution.

ROK Holds Meeting To Organize Union Federation

SK1411053194 Pyongyang KCNA in English 0513 GMT 14 Nov 94

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA)—Workers affiliated with the National Council of Representatives of Trade Unions (Chonnodae) and students, more than 25,000, gathered at Kyonghui University in Seoul on November 13 for a workers' rally and inaugurated the preparatory committee for organizing the Federation of Democratic Trade Unions involving more than 1,200 trade unions in all parts of South Korea, in an encirclement by over 10,000 police of 92 companies, according to a radio report from Seoul.

The preparatory committee refused the proposal of the "government"-sponsored Federation of Trade Unions to integrate the trade unions and declared that it would set up an independent second federation of trade unions within next year and launch into a struggle for the lift of the ban on plural trade unions.

It also declared that it would hold a meeting of representatives on November 30, at which it would elect its chairman and put its system and future action orientation in a concrete form, publishing its programme.

At the end of the meeting, the participants staged a street demonstration in close columns, marching from Kyonghui University to Chongnyang-ri Railway Station.

U.S. Attempts To 'Militarily Crush' North

SK1611122294 Pyongyang Korean Central Broadcasting Network in Korean 1108 GMT 16 Nov 94

[FBIS Translated Text] According to reports from Tokyo, U.S. military quarters have openly shown these days their attempt to militarily crush our country [choegun mi kunbu kyechungi urinararul kunsajoguro apsarharyonun kidorul kongkongyonhi turonaenoko issumnida].

Brigadier General George Norwood, of the 35th Tactical Combat Air Corps of the U.S. Air Force, in an interview with the U.S. newspaper STARS AND STRIPES published on 15 November, said that U.S. Air Force fighters at the Misawa air base in Japan have the North Korean territory, not the Far East of the former Soviet Union, as their primary target [usonjogin mokpyo]. He babbled that the U.S. Forces are now concentrating greater attention to North Korea.

This shows that, today when the Cold War has ended, U.S. bellicose military quarters [hojonjok kunbu kyechung] have our country as their primary target of aggression and are continuously running wild indiscreetly to crush our country's socialist system by force. The U.S. military quarters' attempt to militarily crush our country is very anachronistic.

The U.S. military circles [mi kunbu] have not abandoned the attempt to militarily crush us but made it more undisguised even at this moment when the DPRK-U.S. agreed framework has been adopted. This shows that the U.S. bellicose quarters [hojon kyechung] do not welcome the solution of the nuclear issue on the Korean peninsula through dialogue and are trying to gain unjust profits [pudanghan iduk] by aggravating the situation.

However, force is not almighty. The U.S. military circles will gain nothing from this.

Ministry Spokesman on Japan's Ulsa Treaty

SK1611103394 Pyongyang KCNA in English 1023 GMT 16 Nov 94

["Japan Can Never Evade Blame for Fabrication of 'Ulsa Five-Point Treaty,' FM Spokesman"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—With no petty trick can Japan evade the blame for the fabrication of the "Ulsa Five-point Treaty," declares a spokesman of the Foreign Ministry of the Democratic People's Republic of Korea in a statement issued today denouncing the Japanese authorities for still refusing to admit the illegality and invalidity of the "Ulsa Five-point Treaty" though it is 89 years since it was fabricated on November 17, 1905.

The statement says:

The "Ulsa Five-point Treaty" is a fake document which lacked necessary conditions and passed no formalities as a pact between countries.

As the original text of the "treaty" discovered two years ago shows, there is no endorsement or signature of the then Emperor Kojong and no seal of the state in the "treaty" and it has no title. It was never recognised by the emperor.

As Konnosuke Hayashi, minister of Japan at the time of the fabrication of the "treaty," confessed, the "treaty" was fabricated coercively by the Japanese imperialists with the mobilization of their Armed Forces.

As seen above, the "Ulsa Five-point Treaty" is a fake document which had no legal validity either in view of the domestic law of old Korea or in view of the then "international law."

Nevertheless, the Japanese Government authorities refuse to admit the crimes committed by the Japanese imperialists in the past. This clearly shows how shameless and brazen-faced they are, and proves that they still harbour the wild ambition for aggression and domination over Asian countries including Korea.

The DPRK Government and the Korean people bitterly denounce the unreasonable position and attitude of the Japanese Government authorities who do not admit the stark historical fact.

It is a foolish attempt today to try to bury into oblivion the past crimes of the Japanese imperialists.

The issue concerning old "treaties" including the "Ulsa Five- point Treaty" is not confined to whether their illegality and invalidity are admitted or not. It shows whether or not the Japanese Government is ready to sincerely atone for its past crimes against Korea and to break with its militarist past.

The Japanese Government must frankly admit the historical crimes committed against the Korean people and sincerely atone for them at an early date.

Japan's Amendment of SDF Law Clause Criticized

SK1611053094 Pyongyang KCNA in English 0430 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—"An amendment to the law of the Self-Defence Forces (SDF)" which allows the dispatch of government's planes for the "rescue of Japanese overseas in case of emergency" was adopted at a meeting of the Japanese House of Councillors, according to a report from Tokyo.

The "amendment" is, in essence, the offspring of Japan's policy for criminal overseas dispatch of forces with wild ambition for domination over Asia.

The "rescue of Japanese overseas in case of emergency" invented by Japan is no more than a ruse to hoodwink public opinion and the "amendment" is, actually, a judicial guarantee to pave the way for overseas dispatch of planes of the SDF.

The overseas aggressive nature of the "amendment" was made clear by the fact that the Japanese military bosses including the former director of National Defence Agency, Nakanishi and the present director of National Defence Agency, Tamazawa, made improper remarks that the "present constitution should be amended."

The present constitution banning the exercise of Armed Forces is a stumbling block in overseas aggression by Japan which opened the first door of overseas dispatch of forces with "a bill on cooperation in the UN peacekeeping activities". It may be said that the adoption of the "amendment" this time is part of the attempt to remove the last obstacle.

Japan's escalating moves for overseas dispatch of forces cannot but evoke big apprehensions and high precaution of the Korean and Asian peoples.

Asia of today is not Asia of yesterday.

It is too natural that the Asian people are now unanimous in sharply denouncing Japan for her conversion into military power, nuclear armament and overseas dispatch of forces.

The road to overseas aggression is the road of self-destruction.

The Japanese reactionaries must clearly see this and act with discretion.

Japan 'Full-Scale Overseas Aggression' Inferred

SK1611054794 Pyongyang KCNA in English 0444 GMT 16 Nov 94

["Japan's Design of Overseas Expansion Must Be Frustrated"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—NODONG SINMUN in a signed article today sounds alarm at the escalation of the overseas dispatch of the "Self-Defence Forces" by the Japanese authorities under the cloak of "UN Peace-Keeping Operation".

What the Japanese Government seeks in dispatching the "SDF" in the "peace-keeping operation" is to pave the way for full-scale overseas aggression with Armed Forces and, furthermore, gain world supremacy, the article points out, and says:

The Japanese reactionaries had the "bill on cooperation in the UN peace-keeping operation" carried at the diet to legalize the overseas dispatch of "SDF", advertizing that the dispatch would be allowed only in "non-military" cases. However, what they seek is not to send their

Armed Forces on a limited scale to a limited area but to open the way for dispatching huge Armed Forces to any place in any time.

For this very purpose Japan is trying to gain a permanent seat of the UN Security Council.

The Japanese reactionaries are now seeking to get even veto power and revealing their intention to attend the UN Military Staff Committee. And they are scheming to amend the constitution so as to remove the last obstacle to overseas aggression.

It is not hard to predict that though Japan is dispatching its "SDF" overseas on a limited scale under the name of "UN Peace- Keeping Operation" today, she may send her aggression forces massively under other pretexts tomorrow.

The overseas troop dispatch of Japan, a dangerous force of aggression and war, must never be tolerated under any plea.

The Japanese reactionaries must not seek to repeat the past history of aggression but throw away the outdated militarist mode of thinking and give up the scheme of the overseas dispatch of "SDF". They must know that if they persistently resort to such foolish moves to repeat the history of aggression, avoiding the liquidation of the past crimes, they will have to pay a dearer price for it.

Russian, Turkish Persons Give Visit Impressions

SK1611051194 Pyongyang KCNA in English 0402 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—Russian and Turkish figures gave their impressions of Korean visit here.

Yu. G. Lyashko, mayor of Blagoveshensk, Amour Province, Russia, said that the Korean people intensely loyal to the great leaders have made amazing achievements in a short period. "The might of single-hearted unity is the decisive factor of all victories in Korea," he added.

He said Pyongyang is a city of world level beyond imagination and everything here has been built on the principle of promoting the conveniences of the broad masses while preserving its inherent features.

"The achievements in Korea are results of the wise leadership of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il," he stressed.

Kurbuz Capan, mayor of Esenyurt city, Istanbul Province of Turkey, said what struck him with wonders in Korea is that all the creations in this land serve the ordinary people. "I have seen at first hand what is the advantages of the socialist system," he stressed.

He said one must visit the Mangyongdae School Children's Palace, if he want to have a correct notion of happiness. "Korea is a paradise and a land of the people," he stressed.

Military Delegation Arrives in Cambodia Via PRC

SK1511095094 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 13 Nov 94

[FBIS Translated Text] A DPRK military delegation led by Choe Kwang, member of the Political Bureau of the Workers Party of Korea Central Committee, vice chairman of the DPRK National Defense Commission, and chief of the General Staff of the Korean People's Army [KPA], arrived in Phnom Penh by airplane on 10 November.

The DPRK and Cambodian flags were hoisted at the airport, where the delegation was received by Colonel General Tie Banh, co-minister of national defense of the Kingdom of Cambodia; Colonel General (Sai Sanguon), secretary of the Ministry of National Defense in charge of state affairs; assistant secretaries of the ministry in charge of state affairs; vice chiefs of the General Staff; general grade officers of the ministry and of the General Staff; functionaries of sectors concerned; and our country's ambassador to Cambodia and the embassy staff.

A welcoming ceremony for the delegation was held at the airport. The chief of the KPA General Staff and the Cambodian co-minister of national defense reviewed the honor guards of the Army, Navy, and Air Force.

Prior to this, the delegation stopped over in Guangzhou, China on its way to Cambodia. Colonel General Li Xilin, commander of the Guangzhou military region of the Chinese People's Liberation Army, and functionaries of sectors concerned received and saw off the delegation at the airport.

Meets Cambodian Prime Ministers

SK1511102894 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 13 Nov 94

[FBIS Translated Text] The DPRK military delegation led by Choe Kwang, member of the Political Bureau of the Workers Party of Korea Central Committee, vice chairman of the DPRK National Defense Commission, and chief of the General Staff of the Korean People's Army [KPA], paid a courtesy call on Cambodian First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen on 11 November. Present there were Colonel General Tie Banh, co-minister of national defense of Cambodia; the secretary of the Ministry of National Defense in charge of state affairs; functionaries of sectors concerned; our country's ambassador to Cambodia; and the Cambodian ambassador to our country.

At the meeting, First Prime Minister Norodom Ranariddh said the DPRK military delegation's visit to Cambodia is an expression of the excellent friendship between his excellency Marshal Kim Chong-il, respected and beloved supreme commander, and King Norodom Sihanouk.

He also stated: The DPRK military delegation's visit to Cambodia will make a great contribution to developing friendly and cooperative relations between the peoples and armies of the two countries.

He continued: The Cambodian Government hopes the DPRK people and the KPA will achieve a great success in safeguarding their country and in implementing the cause of socialist construction under the wise leadership of the dear leader, his excellency Kim Chong-il.

He stressed that he wishes the respected and beloved supreme commander, his excellency Kim Chong-il, a long life and good health.

Visits Cominister of Defense

SK1611045294 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 15 Nov 94

[FBIS Translated Text] A DPRK military delegation led by Comrade Choe Kwang, member of the Workers Party of Korea Central Committee Political Bureau, vice chairman of the DPRK National Defense Commission, and chief of the Korean People's Army General Staff, laid a wreath at the Cambodian Independence Tower on 10 November.

The delegation paid a courtesy call, respectively, on Colonel General Tie Banh, co-minister of national defense, and the first deputy chief of staff of the Cambodian Armed Forces, who is acting chief of staff, on 11 November. It also saw an artistic performance.

The delegation inspected Angkor Wat, the royal palace, the officers training center, and the Rural Development Center of the Ministry of National Defense on 12 and 13 November.

The delegation paid a courtesy call on (Roi Simchang), first vice speaker of the National Assembly, who is acting president and acting speaker of the National Assembly, on 13 November. On this occasion, the first vice speaker mentioned the friendly relations between Cambodia and the DPRK and added that His Excellency the great leader Generalissimo Kim Il-song had maintained intimate, fraternal, friendly relations with His Majesty, the respected king, for a long time. He added that he was very proud of this. He also said that these friendly relations were maintained by His Royal Highness Prince Norodom Ranariddh and His Excellency, respected Marshall Kim Chong-il, and that the Cambodian people considered this to be fortunate.

Prince Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, visited the quarters of the delegation on 14 November. On this occasion, the first prime minister, on behalf of the second prime minister, the government of the kingdom, all Cambodian people, and the Armed Forces of the kingdom, said that he paid his respects to His Excellency respected and beloved Marshall Kim Chong-il, the outstanding leader [yongdoja], and wished him a long life. He stressed he would make every effort to strengthen and develop friendship and unity between the people and Armed Forces of the two countries, which was built by His Excellency, the respected and beloved leader Generalissimo Kim Il-song, and His Majesty, the respected and beloved King Norodom Sihanouk.

During its stay in Cambodia, the delegation was invited to banquets hosted by the Ministry of National Defense and the minister of national defense. Present at the banquets were Sar Kheng, deputy prime minister and minister of interior of Cambodia; Colonel General Tie Banh, co-minister of national defense; generals of the Ministry of National Defense and the Armed Forces chief of staff; officials concerned; and the Cambodian ambassador to the DPRK, and the DPRK ambassador to Cambodia was invited to the banquets.

Speeches were delivered at the banquets. In his speech, the Cambodian co-minister of national defense said that the visit to Cambodia by the high-ranking DPRK military delegation was clear proof that the friendly and cooperative relations between the people and Armed Forces of Cambodia and the DPRK could be further strengthened and developed into invincible relations. He said that the Cambodian people did not forget that His Excellency the great leader Generalissimo Kim Il-song had taken deep interest in and extended considerations to the struggle by His Excellency, the Cambodian king, and the Cambodian people, to develop the country and national defense capability and that the Cambodian people express sincere thanks to His Excellency Marshall Kim Chong-il, supreme commander of the KPA, who extends unchanging support and encouragement to the Cambodian people's struggle for the prosperity of the country and national reconciliation. He stressed that the Cambodian people were pleased with the fact that His Excellency Kim Chong-il, who has been inheriting the cause of His Excellency the great leader Generalissimo Kim Il-song, was wisely leading the DPRK by brilliantly implementing the chuche idea. He said that he wished His Excellency Marshall Kim Chong-il, the outstanding leader [suryong], great achievements in his leadership to strengthen and develop the DPRK.

The participants at the banquets made toasts for the eternal life of the great leader Comrade Kim Il-song, the long life and good health of the dear leader Comrade Kim Chong-il, and the long life and good health of His Majesty King Norodom Sihanouk.

Choe Kwang, Military Delegation Arrive in Laos

SK1611064394 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 15 Nov 94

[FBIS Translated Text] A DPRK military delegation led by Comrade Choe Kwang, member of the Workers Party of Korea [WPK] Central Committee Political Bureau, vice chairman of the DPRK National Defense Commission, and chief of the Korean People's Army [KPA] General Staff, arrived in Vientiane on 14 November by plane to visit Laos.

(Puamchai Pitchi), member of the Laos People's Revolutionary Party Central Committee and deputy chief of the Laos People's Army General Staff; director of protocol of the Defense Ministry; other functionaries concerned; the DPRK ambassador to Laos; and employees of the DPRK Embassy, were on hand at the airport to welcome the delegation.

A ceremony was held at the Defense Ministry building to welcome the delegation. Flags of the two countries of the DPRK and Laos were hoisted, and placards welcoming the delegation were placed at the ceremony site.

Choummali Sai-ngason, member of the Politburo of the Laos People's Revolutionary Party Central Committee and defense minister; deputy chief of the Laos People's Army General Staff; director of the General Logistics Bureau; deputy director of the General Politics Bureau; and other functionaries concerned, welcomed the delegation at the building of the Defense Ministry.

After the national anthems of the two countries were played, the chief of the KPA General Staff and the Laos defense minister inspected the honor guards.

On this day, after its visit to Cambodia, the delegation left Phnom Penh. Tie Banh, common defense minister of Cambodia; officers and men of the Defense Ministry; other functionaries concerned; the Cambodian ambassador to the DPRK; the DPRK ambassador to Cambodia; the Laos ambassador to Cambodia; and military attaches of embassies of various countries, were on hand at the airport to bid the delegation farewell.

Military Delegation Leaves for Cuba 15 Nov

SK1611041694 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 15 Nov 94

[FBIS Translated Text] The Korean People's Army [KPA] Air Force delegation led by General Cho Myong-nok of the KPA, left Pyongyang on 15 November by plane to pay a visit to Cuba.

Lieutenant General Chong Kyu-ham of the KPA; officers and men; officers; Rodriguez Varona, dose Ramon, the Cuban ambassador to the DPRK; and a military attache of the Cuban Embassy, were on hand at the airport to bid the delegation farewell.

Air Force Delegation Leaves for Cuba 16 Nov

SK1611051494 Pyongyang KCNA in English 0413 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—An Air Force delegation of the Korean People's Army led by General Cho Myong-nok left here today by air to visit Cuba.

An Iranian Government economic delegation led by M.R. Vezvaei, vice-minister of cooperation, and a delegation of the University Grants Commission of India led by N.C. Mathur, vice-chairman of the commission, arrived here today.

Meanwhile, a home-visiting group of students of Korean University of the General Association of Korean Residents in Japan (Chongnyon), a home-visiting group of Korean students in Japan and the 228th short-term home-visiting group of Koreans in Japan arrived in Wonsan today by the ship Mangyongbong-92 for a visit to the socialist homeland.

SPA Greets New Mexican Congress Presidents

SK1311083094 Pyongyang KCNA in English 0822 GMT 13 Nov 94

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—Chairman of the Supreme People's Assembly [SPA] Yang Hyong-sop sent messages of greetings to Fernando Ortiz Aranha and Humberto Roque Villanueva upon their election as presidents of the Senate and the Chamber of Deputies of the United States of Mexico.

The messages express the belief that the friendly and cooperative relations between the two peoples and parliaments will develop more favourably and wish them greater success in their responsible work.

Australians Cited Praising Socialism in DPRK

SK1611104294 Pyongyang KCNA in English 1009 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—DPRK book, photo and handiwork exhibitions were held recently in Sydney and Melbourn, Australia.

After seeing the exhibition, Peter Symon, general secretary of the Central Committee of the Socialist Party of Australia, recalled that he had been honored with an audience of President Kim Il-song during his visit to Pyongyang.

He said:

We regard the Democratic People's Republic of Korea as a beacon of socialism.

We are convinced that the Korean people will successfully accomplish the revolutionary cause started by President Kim Il-song under the guidance of the great leader Comrade Kim Chong-il.

Michael Obirend, the Victoria state organizer of the Public Traffic Trade Union of Australia, said:

Korean-style socialism is really excellent. A society where all the people work to their heart's content for it in peace, without worries about food, clothing and housing is a society for the people, I think.

When I heard first that free medical assistance and free education are in force and there is no taxation in North Korea, I doubted of there is such a country in the world. The socialism of Korea is, indeed, one for the people. Invincible is Korean socialism which the people like and uphold.

Director of the Banko Company of Australia Frank Kobasis said that Korea would remain unshaken, even if the United States took economic sanctions, because she has a strong economy.

Jack McPhillips, secretary general of the Australia-DPRK Friendship and Cultural Exchange Association, said it is most ideal that Korea is reunified in accordance with the proposal for founding the Democratic Confederal Republic of Koryo put forward by President Kim Il-song.

Syrian Rectification Movement Anniversary Marked

SK1611105494 Pyongyang KCNA in English 1017 GMT 16 Nov 94

["24th Anniversary of Rectification Movement in Syria"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—Papers here today observe the 24th anniversary of the rectification movement in Syria.

NODONG SINMUN says that the rectification movement in November 1970 was a historical event that reflected the purpose and desire of the Syrian people for the consolidation of the sovereignty of the country and national independence and building of a prosperous Syria.

Noting that the Syrian people have registered great achievements in the building of a new life over the last 24 years since the rectification movement the author of the article says:

The Korean people rejoice over the achievements the Syrian people have made in the work for the building of a new life after the movement, firmly maintaining the anti-imperialist, independent stand and express firm solidarity with the Syrian people in their just cause.

Friendship between Korea and Syria is developing on good terms today. Exchange and contact between the two countries are getting brisk. This friendship is favorable for the building of an independent, new Asia and a new life in the two countries. A signed article of MINJU CHOSON says: The Korean people believe that the friendly and cooperative relations between Korea and Syria will expand and develop more favorably and wish the Syrian people greater achievements in their efforts for the building of a new Syria, independent and prosperous.

Meeting Commemorates Anniversary

SK1611054194 Pyongyang KCNA in English 0432 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—A meeting marking the 24th anniversary of the rectification movement in Syria was held at the Korea-Syria Friendship Pyongyang Silk Mill on Tuesday.

Invited to the meeting were Syrian Ambassador to Korea Yasir Farah, embassy officials and Syrian students studying in Korea.

Attending it were Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Syria Friendship Association, officials concerned and employees of the mill.

Speeches were made at the meeting and a congratulatory letter to the Syrian president was adopted.

Then, followed a friendship gathering.

Outgoing Ambassador Visits Danish Queen

SK1611082394 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 13 Nov 94

[FBIS Translated Text] Kim Chae-pong, DPRK ambassador to Denmark, paid a farewell visit to Kingdom of Denmark Queen Margrethe II on 8 November. At the meeting, the ambassador conveyed the greetings from the dear leader Comrade Kim Chong-il to Queen Margrethe II. The queen expressed deep gratitude for this and asked the ambassador to convey her warm greetings to the dear leader Comrade Kim Chong-il.

The queen said she was pleased about the satisfactory development of relations between Denmark and the DPRK, and stressed that relations will further develop in the interest of the peoples of the two countries.

Hwang Chang-yop, Delegation Arrive in Brazil

SK1611021994 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 14 Nov 94

[FBIS Translated Text] A delegation of the Workers Party of Korea [WPK] led by Hwang Chang-yop, secretary of the WPK Central Committee, arrived in Sao Paulo, Brazil on 10 November. Functionaries of the Brazilian 8 October Revolutionary Movement and the Central Committee of the Communist Party of Brazil, and legislators received the delegation at the airport.

Special Advisor to Ugandan President Arrives

SK1611051794 Pyongyang KCNA in English 0421 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—David Kaseera Kibirango, special advisor to the President of the Republic of Uganda, arrived here Tuesday.

The guest was met by Pak Kyong-son, vice-director of a Department of the C.C. [Central Committee], the Workers' Party of Korea.

Kim Chong-il Receives Foreign Solidarity Messages

SK1611052094 Pyongyang KCNA in English 0418 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—The dear leader of our party and people Comrade Kim Chong-il received telegrams and letters of solidarity from foreigners on the publication of the framework agreement between the DPRK and the United States.

Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia, in a telegram acknowledged the adoption of the framework agreement as a historic victory of the militant Korean people in the struggle for independence and peace.

Amoussouvi Vignik Amedegnato, general secretary of the Togolese People's Rally, in a telegram expressed the belief that the substantial implementation of the agreement would lead to a final solution to the nuclear issue of Korea and improvement of the relations between the DPRK and the United States in a short time. He hoped the friendly relations between his party and the Workers' Party of Korea would grow stronger and develop.

Letters to Comrade Kim Chong-il were adopted by participants of meetings for solidarity with the Korean people held at the Asian Regional Institute of the Chuche Idea and the Finland-Korea Association upon the publication of the framework agreement between the DPRK and the United States.

Receives More Supportive Messages

SK1511070694 Pyongyang KCNA in English 0420 GMT 15 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—Dear Comrade Kim Chong-il, the great leader of our party and people, received solidarity messages and letters from Victor Anpilov, chairman of the Executive Committee of the "Working Russia" movement; H.S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); Indrajit Gupta, general secretary of the National Council of the Communist Party of India; Humberto Vargas Carbonel, general secretary of the Central Committee of the People's Vanguard of Costa Rica; Farouk Dahrouj, general secretary of the Central Committee of the Lebanese Communist Party; Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; and President Andriantiana Rakutuvau and General Secretary Gisele Rabesahala of the Party of the Congress for the Independence of Madagascar; concerning the publication of the agreed framework between the DPRK and the United States.

They described the adoption of the framework agreement in Geneva as a result of the wise, correct and valiant policy shaped by President Kim Il-song and Comrade Kim Chong-il, the successor to his cause, reflecting the interests of the Korean people.

The adoption of the framework agreement is a great victory not only of the people of the Democratic People's Republic of Korea but also of the peaceloving peoples of the world, they said, expressing support for the principled stand of Comrade Kim Chong-il toward the nuclear issue.

They expressed firm solidarity for this work led by Comrade Kim Chong-il and wished him great success in the accomplishment of his noble cause.

Replies to Foreign Party Leaders

SK1611115894 Pyongyang KCNA in English 1047 GMT 16 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il sent messages to foreign party leaders in reply to their messages of greetings on the 49th anniversary of the foundation of the Workers' Party of Korea [WPK].

The messages were sent to Yasir 'Arafat, president of the state of Palestine, chairman of the executive committee of the Palestine Liberation Organisation and head of the national authority of Palestine; Chea Sim, chairman of the Central Committee of the People's Party of Cambodia and acting head of state of the Kingdom of Cambodia; Norodom Ranariddh, chairman of the Funsinpec [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia Party] Party of Cambodia; Madhav Kumar Nepal, general secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism); Narayan Man Bijukchhe, chairman of the Nepal Worker-peasant party; Walid Joumblatt, president of the Socialist Progressive Party of Lebanon; Inaam Raad, chairman of the Nationalist Socialist Party of Syria in Lebanon; Farouk Dahrouj, general secretary of the Central Committee of the Lebanese Communist Party; B. Dashyondon, general secretary of the Mongolian People's Revolutionary Party; Iqbal Ahmed Khan, secretary general of the Pakistan Muslim League; Rafiq Ahmad Sheikh, secretary general of the Pakistan People's Party; Vassos Lyssarides, chairman of the Central Committee of the Socialist Party of Cyprus; Indrajit Gupta, general secretary of the National Council of the Communist Party of India; H.S. Surjeet, general secretary of the Central Committee of the Communist Party of India (Marxist); Sushil Kumar Shinde, general secretary of the Indian National Congress Party (I); Roland Atta- Kesson, national chairman of the National Convention Party of Ghana; Huudu Yahaya, general secretary of the National Democratic Congress of Ghana; El Hadj Boubacar Biro Diallo, general secretary of the Party for Unity and Progress of

Guinea; Didier Ratsiraka, secretary general of the Action for the Renaissance of Madagascar; Ibrahima N'diaye, secretary general of the executive committee of the African Party for the Solidarity and Justice of Mali; Mamadou El Bechir Vologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali; Arsene Bongnessan Ye, chairman of the Organisation for People's Democracy-labour Movement of Burkina Faso; Hugues Dobozendi, chairman of the Political Bureau of the Central African People's Liberation Movement; Moukoueke Cristophe, general secretary of the Pan-African Union for the Social Democracy of the Congo; Amoussouvi Vignik Amedegnato, general secretary of the Togolese People's Rally; Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia; Khaled Bensmain, general secretary of the Movement for Democracy in Algeria; Youssef Amin Wali, general secretary of the Egyptian National Democratic Party; chairman Preben Moller Hansen and International Secretary Kenbrun of the Danish Workers' Party, Common Cause; Klaus Riis, chairman of the Central Committee of the Communist Party of Denmark (Marxist-Leninist); Chairman Werner Schulwese and Vice-chairman Hans Wauer of the Central Committee of the Communist Party of Germany; Ludo Martens, chairman of the Central Committee of the Belgian Labour Party; Roger Gailliez, general secretary of the Belgian Socialist Party (Wallon); Rolf Hagel, chairman of the Workers' Party-communists of Sweden; Frank Baude, chairman of the Central Committee of the Communist Party- KPML(R) of Sweden; Timo Lahdenmaki, chairman of the for Peace and Socialism-the Communist Workers' Party of Finland; Blasco Hugo Fernandes, chairman of the national direction committee of the Democratic Intervention of Portugal; Manuel Vargas Loureiro, chairman of the Democratic Renovation Party of Portugal; General Secretary James Stewart and International Secretary Eoin O'Murku of the national executive committee of the Communist Party of Ireland; Chairman Marian Donnelly, General Secretary Pat Quearney and executive member and national Chief in charge of finance Sean Garland of the Workers' Party of Ireland; Roberto Gabriele, general secretary of the Movement for Peace and Socialism of Italy; Nanda Gopaul, leader of the Labour Party of Guyana; Peter Persaud, leader of the Amerindian Action Movement of Guyana; Leslle Ramsammy, leader of the United Republican Party of Guyana; Donald Ramota, executive secretary of the People's Progressive Party of Guyana; Rupert Roopnarine, Chairman of the executive committee of the Working People's Alliance of Guyana; Llewelyn John, leader of the People's Democratic Movement of Guyana; Terence A. Marryshow, political leader of the Maurice Bishop Patriotic Movement of Grenada; Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front of Nicaragua; Gustavo Tablada Celaya, chairman of the Nicaraguan Socialist Party; Aldolfo Jarquin, national chairman of the Social Democratic Party of Nicaragua; General Secretary Leopoldo Grullon and International Secretary Felipe Baez of the Central Committee of the Dominican Communist Party (Marxism-Leninism); Miguel Mejia, secretary general of the United Left Movement of Dominica; Chairman Jose Gonzalez Espinosa, Secretary General Esteban Diaz Jaquez and International Secretary Jose Oviedo Landestoy of the Central Committee of the Dominican Labour Party; Rossie Douglas, leader of the Labour Party of Dominica; Sam Marcy, chairman of the Workers World Party of the United States; Gus Hall, national chairman of the Communist Party of the United States of America; Jack Barnes, national secretary of the Socialist Workers' Party of the United States; General Secretary Indalicio Sayago Herrera and International Secretary Manuel Fernandez Flores of the Central Committee of the Socialist People's Party of Mexico; Joao Amazonas, chairman of the Central Committee of the Brazilian Communist Party; Orlando Van Amson, honorary chairman of the National Democratic Party of Suriname; Hardial Bains, national leader of the Communist Party of Canada (Marxist-Leninist); Vincent Gabrera, acting leader of the February 18th Movement of Trinidad and Tobago; Humberto Vargas Carbonel, general secretary of the Central Committee of the People's Vanguard of Costa Rica; Eduardo Mora Valverde, coordinator of the Central Committee of the People's Party of Costa Rica; Victor Sanchez Bilagra, chairman of the February Revolutionary Party of Paraguay; Renan Raffo Munoz, general secretary of the Central Committee of the Peruvian Communist Party; Guzman Rivera Castaneda, general secretary of the Revolutionary Socialist Party of Peru; Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru; Alberto Moreno, general secretary of the Central Committee of the Communist Party of Peru (Red Motherland); Angel Castro Lavarello, chairman of the Peruvian Front for National Liberation; Habier Dies Kansseco, general secretary of the Mariateguista United Party of Peru; Denzil Douglas, leader of the St. Kitts-Nevis Labour Party; Patricio Echegaray, general secretary of the Central Committee of the Communist Party of Argentina; Rene Mauge Mosquera, general secretary of the Central Committee of the Communist Party of Ecuador; General Secretary Victor Granda Aguilar and International Secretary Hernan Rivadenera of the Socialist Party of Ecuador.

Comrade Kim Chong-il also replied to Shuhachi Inoue, director general of the International Institute of the Chuche Idea [IIJI], Kenichi Ogami, secretary general of the IIJI; T. B. Mukherjee, vice-director general of the IIJI and president of the Asian Regional Institute of the Chuche Idea; Vishwanath, secretary general of the "International Kim Il-song Prize" council; Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea, Francisco da Costa Gomes, former president of Portugal; and Dominic Mintoff, former prime minister of Malta.

In the reply messages he expressed deep thanks to them for their warm congratulations and comradely greetings on the 49th anniversary of the foundation of the Workers' Party of Korea.

Wishing the abovesaid parties and international organisations new achievements in their activities, he expressed the belief that the friendly and cooperative relations between the WPK and the abovesaid parties would be constantly consolidated and developed in the future, too.

Kim Chong-il's Work Reported, Studied Abroad

SK1611103794 Pyongyang KCNA in English 1002 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was reported by the Tunisian paper AS SABAH, the Yugoslav papers DNEVNIK and POBJEDA and radio Mozambique.

A seminar on the work was sponsored by the Asian Regional Institute of the Chuche Idea in New Delhi.

Govind Narain Srivastava, secretary general of the institute, said the publication of the work signifies a milestone and a historic event of great importance in the struggle to accomplish the cause of chuche.

A seminar on the work took place at the group for the study of the chuche idea of Comrade Kim Il-song of the Guyanese Cooperative Union, Ltd.

The speakers said the work declared at home and abroad the unshakable faith of the Workers' Party of Korea and the Korean people to invariably defend the idea and theory of socialism propounded by respected President Kim Il-song and fight it out for the victory of the cause of socialism.

A lecture on the work was given at the theory and practice centre of Kimilsongism in Zimbabwe.

More on Foreign Media Reports

SK1311081194 Pyongyang KCNA in English 0804 GMT 13 Nov 94

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—The dear leader Comrade Kim Chong-il's famous work "Socialism Is a Science" was reported by news media of different countries.

The Malaysian paper SIN CHEW JIT POH [spelling of paper as received] reported:

Leader Kim Chong-il says in the work that the imperialists now violently interfere in other countries' internal affairs and trample upon other nations' sovereignty and they try to justify these acts under the excuse of "defence of human rights".

He stresses: Human rights are unthinkable apart from the independence of countries and nations. Human rights can never be ensured for people who are dominated by foreign forces.

The "human rights" advertised by the imperialists are privileges of the rich, privileges to do anything on the strength of money, he says, and emphasizes: The imperialists have no right to speak about human rights.

Radio Santarosa of Peru reported about the work, stressing:

The work comprehensively reflects the idea and intention of his excellency Kim Chong-il to carry forward and accomplish without an inch of deflection the revolutionary cause started by the great President Kim Il-song.

The work is a true textbook of life and struggle, a nutriment which gives fresh confidence and courage to the progressive people of the world who aspire after socialism.

The work was also reported by the Malian paper LE MALIEN, the Pakistani papers AMAN, MASHRIQ, BEOPAR [spelling of papers as received], SIND EXPRESS and DAWN, the French paper LE MONDE, the Ghanaian paper GHANAIAN TIMES, the Algerian paper AL SALAM [spelling of paper as received], PPI of Pakistan, A.K.P. of Cambodia, AZAP and Radio of Zaire, state radio of Guyana, Radio Equatorial Guinea and Radios Libertad, Cora, Star and Uuellas of Peru.

Nepal, Guinea, Nigeria, Burkinabe

SK1511070294 Pyongyang KCNA in English 0424 GMT 15 Nov 94

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—The famous work of the dear leader Comrade Kim Chong-il "Socialism Is a Science" was carried by foreign papers.

The Nepali paper QEMPLE'S REVIEW carried the work, with a portrait of Comrade Kim Chong-il.

In the preface, the paper said:

Comrade Kim Chong-il has wisely been leading the Workers' Party of Korea and the Korean people, upholding the idea and cause of the great leader Comrade Kim Il-song, from 30 years ago.

He has published many famous works including "Our Socialism Centred on the Masses Shall Not Perish" and "The Historical Lesson in Building Socialism and the General Line of Our Party" which scientifically indicate the road to socialism.

In his recent treatise "Socialism Is a Science" he said socialism is scientifically ensured, and expressed his belief that Korean- style socialism will grow stronger and develop.

His treatise lays stress all along on the scientific truth that when one learns from the masses of the people, believes in them and works for them, one is sure to win victory.

His work was also carried by the Guinean paper HOROYA, the Nepali paper DRISTI, the Algerian paper LIBERTE and the Burkinabe paper LE PAYS.

Foreigners Pay Respects at Kim Il-song Statue

SK1511070094 Pyongyang KCNA in English 0437 GMT 15 Nov 94

[All names as received]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA)—A delegation of the Chinese Medical Association led by its Vice- President Xiao Ziren, Manjur Hosbndn member of the Central Committee [C.C.] of the Bangladesh Nationalist Party and member of parliament, a delegation of the Chuche Idea Study Centre of Mongolia led by R. Nansa, rector of the Private Institute of History of Oriental Philosophy of Mongolia, on November 13, and Igori Malyarov, first secretary of the C.C., The Young Communist League of Russia, on November 12, laid bouquets of flowers before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang, and paid a silent tribute to his memory.

Head of the Chinese delegation Xiao Ziren said President Kim Il- song was a great leader of the Korean people as well as an intimate friend of the Chinese people. "I hope that the Korean people will turn their country into a happier and powerful country, rallied close behind the dear leader Comrade Kim Chong-il, true to the intention of President Kim Il-song in his lifetime," the head addzd. Manjur Hossain said President Kim Il-song was a great leader of the exploited and oppressed people of the world, noting he had conducted energetic activities for peace and security in Asia and performed great exploits for the world people.

Overseas Koreans Chairman Visits

SK1311082794 Pyongyang KCNA in English 0819 GMT 13 Nov 94

[FBIS Transcribed Text] Pyongyang, November 13 (KCNA)—Yun I-sang, chairman of the overseas headquarters of the National Alliance for the Country's Reunification and a noted composer, and his companion visited the statue of the great leader President Kim Il-song on Mansu Hill Saturday [12 November] and paid a silent tribute to his memory.

They wailed, hardly repressing their bitter sorrow at the loss of the father of the nation.

Yun I-sang said: "Our nation will never forget the leader. He is immortal."

Minister of Fisheries Dies After 'Long Illness'

SK1611051994 Pyongyang KCNA in English 0420 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—Minister of Fisheries Choe Pok-yon who is member of the Central Committee of the Workers' Party of Korea and deputy to the Supreme People's Assembly passed away after a long illness at the age of 60 on Tuesday.

The Central Committee of the WPK and the Administration Council of the DPRK published his obituary in joint name on Tuesday.

According to the obituary, Choe Pok-yon, who grew to be a competent official under the care of the great leader President Kim Il-song, devoted his wisdom and energy to the implementation of the economic policy of the party and actively contributed to the development of fisheries and the improvement of the people's standard of living, at important posts of central and local organs for a long time.

Kim Chong-il Sends Wreath to Bier

SK1611105294 Pyongyang KCNA in English 1049 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—Comrade Kim Chong-il, the great leader of our party and people, sent a wreath today to the bier of the late Choe Pok-yon, member of the Central Committee of the Workers' Party of Korea, deputy to the Supreme People's Assembly of the DPRK and minister of fisheries, expressing deep condolences on his death.

Industrial Production Increase Detailed

SK1611104094 Pyongyang KCNA in English 1013 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—Production is picking up at industrial establishments of various divisions of the national economy in Korea.

The Kangwon area coal complex has boosted the daily coal output 30 percent from the daily average of last month by giving definite precedence to tunnelling from early this month and tapping hidden reserves.

The output of headings at the Songchon mine has jumped 20 percent in the first ten months of this year from the same period of last year. Entering this month, the mine is topping its daily ore production quota 10 percent by raising the operational rate of the equipment 2 or 3 percent.

The Kanggye Youth Power Station now produces 500,000 kwh of electricity outside the daily plan and the Kujang cement factory is surpassing its daily quotas 30 percent.

The General Bureau of Land Transport lifted the auto freight turnover 8 percent in recent ten days from the same period of last month by meticulously organizing and commanding transportation.

In the third quarter of the year, the bureau topped the auto freight turnover plan 4.1 percent and the auto passenger transport plan at 7.3 percent.

Many other units such as the Tokchon area coal complex, the may 10 general works, the Chongjin chemical fibre mill and the Tumangang Locomotive Corps have effected remarkable innovations.

Anniversary of Yun I-sang Institute Celebrated

SK1611054394 Pyongyang KCNA in English 0438 GMT 16 Nov 94

[FBIS Transcribed Text] Pyongyang, November 16 (KCNA)—The 10th anniversary of the foundation of the Yun I-sang Musical Institute was celebrated in Pyongyang.

The institute is an organisation of scientific study and performance of musics which was formed under the solicitude of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

Comrade Kim Chong-il made sure that the institute was named after Mr. Yun I-sang, a prominent composer who is conducting patriotic activities abroad for the independent and peaceful reunification of the country. He saw to it that the Yun I-sang Symphony Orchestra was formed and the building of the institute and the Yun I-sang Concert Hall were built.

On the occasion of its 10th foundation anniversary, members of the institute and Yun I-sang, chairman of the overseas headquarters of the national alliance for the country's reunification, and his entourage called at the statue of President Kim Il-song on Mansu Hill on November 15, laid a wreath before it and paid a silent tribute to his memory.

In his report at a meeting marking the 10th anniversary, Kim Chong-ho, director of the institute, said that under the deep loving care of the great leader and the guidance of the dear leader, the institute has conducted vigorous activities over the past ten years true to the policy of the Workers' Party of Korea for developing the chuche-based music art and its idea of the united front.

Referring to the achievements and experience of the institute in the development of the music art for the independent reunification of the country in step with the grand march of the entire fellow countrymen to achieve national reunification in the 90s without fail, he stated that the institute has greatly contributed to instilling ardent patriotism and burning will for reunification in the hearts of the fellow countrymen.

At a music concert marking the anniversary that day the artists played well Beethoven's Symphony No. 1 and other numbers with refined skill and soft and gentle melody to be acclaimed by the audience.

Working People's 'Communist Virtue' Highlighted

SK1611080894 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 14 Nov 94

[FBIS Translated Text] Today all the people throughout the country are effecting a new upsurge in the revolution and construction by more firmly uniting around the dear leader Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, upholding the fatherly leader's [suryong] will. Under these circumstances, our functionaries, working people, and the new generation of youths are constantly displaying their beautiful communist virtue by devoting their all to society, the collective body, and the people.

Comrade (Yi Tok-in), responsible secretary of Sinuiju Party Committee, who has grown up to be an honorable functionary in the bosom of the party and the leader [suryong], has steadily made efforts to become a faithful servant of the people, bearing in his mind the party's slogan "Serve the people." In addition, he has recently given his household goods to family members who unexpectedly were victims of a fire. By so doing, he has enabled them to be faithful in fulfilling the revolutionary duty assigned to them, while living without any difficulties.

Functionaries of the Tongdaewon District public security, including Comrade Om Tae-song, head of its public security, who serve devotedly with the spirit of honor and pride to keep our people's safety and happiness, have provided convenience to residents regarding traffic by building a new bridge between Yul- tong and Saesalrim-tong with their own might.

Working people from all walks of life are taking care of orphans and old men who have no children, as their real sons and parents. Under these circumstances, Comrade Mun Ok-hui, who lives in the Puyon District in Chongjin city, is taking good care of two young students, who lost their parents unexpectedly, with her true revolutionary comradeship and warm revolutionary spirit.

With his family members, Comrade Kim Il-ho, instructor of the Agricultural Bureau of the Agricultural Committee, has volunteered to work at the Saena cooperative farm in Sinchon County, bearing the loyal spirit to glorify the great leader's [suryong] immortal achievement generation after generation and to uphold our party with grain production. Upon receiving a report on his conduct, the dear comrade leader has highly praised him as good comrade and granted him his great confidence and consideration.

In addition, Comrade (Yi Chung-ok), instructor of Kangso District People's Committee, grandson of the grandmother from Taesong, has resolved to volunteer to work at a Taesong cooperative farm with his family members in order to uphold our party with [word indistinct] by taking root forever at the native land and to uphold the dear comrade leader as the real father [chinoboiro mosigo], just like his grandmother, who only trusted and followed the fatherly leader [suryong] during her lifetime.

Comrade Chi Sung-nyong, agitator of the Yongbyon County Party Propaganda and Agitation Department, went Onbong-ni where the immortal and historic relics of the great leader's [suryong] and the dear comrade leader's leadership is preserved and is devoting everything to carrying out the work to glorify the party's and leader's [suryong] achievement, as well as to implement the party's agriculture-is-first policy.

Comrade Yi Chol-yong, former teacher of the Yonggang senior middle school in Sinhung County, and 39 graduates of this school—who volunteered to serve as workers who take care of the road between Sinhung and Pujon, which is linked to the glorious revolutionary relics—are also included in our new generation of youths, who regard it as a pride and happiness of their true life to uphold the party's intent with loyalty. (Cho Song-kown), worker of a county and city construction unit, who is moved by their behavior, has volunteered to work there with his wife and daughter and is devoting everything to carrying out the road management work.

Comrade O Chong-hui, worker of Pyongyang Beer Plant—who deeply became aware that because the dear leader Comrade Kim Chong-il exists, one can enjoy the chuche socialist fatherland today, as well as a final victory of the chuche revolutionary cause is firmly guaranteed—has resolved to serve as keeper of the management office of the revolutionary battle site of the Paektu secret camp, bearing in her mind to devote herself to carrying out the work to more properly take care of the native home of the forestry of the Mt. Paektu.

Truly, thanks to our party's politics of love and trust, politics of benevolence, the working people from various walks of life are further glorifying their beautiful communist virtue for society and the collective body with each passing day.

South Korea

IAEA, DPRK Mission Fail To Set Date

SK1611060494 Seoul MUNHWA ILBO in Korean 16 Nov 94 p 2

[REUTERS, YONHAP from Vienna]

[FBIS Translated Text] A spokesman for the International Atomic Energy Agency [IAEA] said on 15 November that the IAEA held an initial contact with the North Korean Mission in Vienna on 14 November to discuss the scheduling of talks regarding the monitoring of North Korea's nuclear freeze, but failed to set a date for talks.

IAEA-North Working Contact First Round Held

SK1611141094 Seoul KBS-1 Radio Network in Korean 1300 GMT 16 Nov 94

[Report by Vienna-based correspondent Cha Man-sun]

[FBIS Translated Text] The International Atomic Energy Agency [IAEA] and North Korea had the first round of working contacts today and discussed specific measures and implementing procedures for freezing nuclear sites and for verification activities.

Present at today's working discussion from the IAEA were a senior official responsible for inspection and an inspection official in charge of North Korea. Attending the discussion from the North Korean side was an official of the North Korean Embassy in Vienna charged with nuclear affairs.

At the first round of working discussion, the IAEA presented specific measures for freezing the five nuclear sites, including the five-megawatt reactor, and measures for verification, and demanded that North Korea accede to them fully. The IAEA proposed that the three sites, such as the five-megawatt reactor, the reprocessing facilities, and nuclear fuel molding plant, be frozen with seals, surveillance cameras, and special surveillance equipment on main parts, and that verification be made as to whether they are operated or not through regular inspections. As for the two large-size reactors under construction in Yongbyon and Taechon, the IAEA proposed that the IAEA is planning to verify whether the construction is continuing by taking pictures as the occasion demands and comparing and analyzing them.

In the meantime, the IAEA is expected to dispatch a nuclear freeze verification team to North Korea as early as around the end of this week if the working discussion with North Korea progresses smoothly.

Seoul Considers 'Secret Contacts' With DPRK

SK1611003894 Seoul YONHAP in English 0026 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—The South Korean Government may overturn its renouncement of secret contacts with North Korea and use an unofficial channel to break the ice, inside sources said Wednesday.

The idea, still being considered cautiously, is to accommodate North Korea's extraordinary internal situation since President Kim Il-song's death in July, the sources said.

Some proponents have suggested that prior informal contacts would be more effective, they said.

Last week Seoul proposed inter-Korean economic cooperation in an effort to ease the strain since the North Korean leader's death but met a wall in Pyongyang's refusal.

The Kim Yong-sam administration had said from the outset in February 1993 that there would no longer be secret negotiations with North Korea.

"But there are views that it would be more effective to use an unofficial instead of an open, formal dialogue channel to find out North Korea's intentions and seek a breakthrough in inter-Korean ties, specifically because of North Korea's situation since the death of Kim Il-song," said one source.

"The type and frequency of contacts differ between regimes, but past governments did resort to secret talks," he said. "Sometimes, that brought results."

But he pointed out the negative aspects of such clandestine negotiations, noting that "the government is not pursuing a secret channel at this point."

National Unification Minister Yi Hong-ku, asked at a press meet Tuesday about the possibility of informal inter-Korean talks, only gave an ambiguous answer, saying "matters regarding dialogue resumption should be left to the government to decide."

Murayama on Diplomatic Normalization With DPRK

SK1611012894 Seoul YONHAP in English 0054 GMT 16 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 16 (Japan)—Japanese Prime Minister Tomiichi Murayama, attending the Asia-Pacific Economic Cooperation (APEC) summit in Jakarta, stressed Tuesday that Tokyo should reopen diplomatic normalization talks with North Korea as soon as possible, the Japanese press quoted him as saying Wednesday.

"Japan's having no diplomatic ties with North Korea is an abnormal situation which continues despite the passing of some 50 years since World War II," Murayama said at a press conference in the Indonesian capital. He disclosed that Tokyo is poised to discuss forming relations with Pyongyang and that there would be no change in this policy.

On correlating Tokyo-Pyongyang and inter-Korean talks, the Japanese prime minister said that "settling all issues through dialogue is important," emphasizing that Japan will pay close attention to South-North Korean dialogue as well, the Japanese press reported.

Murayama's remarks came as the North has yet to react to Japan's call for normalizing diplomatic ties after the Washington-Pyongyang nuclear accord.

Plan for Nuclear Complex Near DMZ Studied

SK1311054994 Seoul SEOUL SINMUN in Korean 13 Nov 94 p 2

[Report by Kwon Hyok-chan]

[FBIS Translated Text] A plan to build a nuclear energy complex near the Demilitarized Zone is now being examined at a time when the supply of light-water reactors to North Korea has been planned.

Authorities concerned said on 12 November that the government is examining a plan to build a large-scale nuclear energy complex housing nuclear power stations, nuclear waste sites, and research institutes south of the DMZ on the east coast.

A high-ranking government official said: "It is difficult to find sites for building nuclear power stations at present, even though we must build many." He also said: "Nuclear power stations must be built in coastal areas because they need a lot of cooling water. The geological characteristics of the east coast areas are good for building nuclear power stations."

However, as the area is close to North Korea, the ROK must discuss site selections with the North. The government expects North Korea will react affirmatively to this plan as we plan to supply them with light-water reactors.

Firm Asks Payments for North's Undelivered Goods

SK1211090494 Seoul CHOSON ILBO in Korean 12 Nov 94 p 11

[By reporter Choe Hong-sop]

[FBIS Translated Excerpt] The Kolon Corporation has requested insurance payments from the Exports Insurance Corporation on the grounds that North Korea failed to deliver socks. Previously, the Kolon Corporation had sent equipment to North Korea for the latter to process socks on commission.

However, the Exports Insurance Corporation convened a meeting of the Board of Directors on 11 November. It stated: "The meeting decided to temporarily withhold insurance payments that the Kolon Corporation requested in connection with North-South economic cooperation." It added: "Upon further deliberations, we will decide whether we will make insurance payments."

The Kolon Corporation signed a contract with North Korea's Light Industry Trading Company in 1990. The contract stipulates that in compensation for the supply of equipment, the North Korean company shall deliver 400,000 pairs of socks a month to Kolon for 33 months beginning five months after the equipment is supplied. According to the contract, Kolon supplied 150 units of sock-manufacturing equipment and 52 units of accessory equipment worth $2.18 million.

However, Kolon has received socks worth only approximately $500,000 from North Korea, with the remainder still undelivered. Therefore, Kolon has requested insurance payments. [passage omitted]

Dissident Labor Activists Gather in Seoul

SK1311100894 Seoul YONHAP in English 1002 GMT 13 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP)—Some 20,000 dissident labor activists gathered at a massive rally at Seoul's Kyunghee University to inaugurate the preparatory committee for constructing "Minnochong" (Democratic Federation of National Labor Unions), an organization seeking a confrontation with the authorized Federation of Korean Trade Union (FKTU).

The new federation, if organized, will virtually take the place of "Chonnodae" (National Council of Union Representatives) which has led the dissident workers so far.

At the massive "national workers rally" attended by regional and industrial labor union representatives under Chonnodae, they declared to strive for the "democratic unification" of labor circles across the country by launching a movement to secede from the "government-controlled FKTU."

In a resolution adopted at the rally, they also pledged to struggle for wage increase for next year, various social reforms, conversion into industry-level union organizations from the present company-level ones, and revisions of "evil" labor-related laws.

The preparatory committee will hold its first meeting of representatives on Nov. 30 to discuss inaugurating the Minnochong.

After the rally, the participants marched through the streets from the university to Chongyangni Station, northeastern Seoul.

Meanwhile, the university authorities had earlier given notification not to allow their rally at the campus, but the labor representatives went on a forced convention.

Police deployed some 6,000 troopers around the university in preparation for illegal demonstration, but there was no report on major clash between the police and workers.

U.S. Businessmen Reportedly Plan To Visit North

SK1611020794 Seoul YONHAP in English 0121 GMT 16 Nov 94

[FBIS Transcribed Text] Washington, Nov. 15 (YONHAP)—U.S. businessmen in South Korea intend to visit North Korea toward the end of this month with the full support of the Clinton administration, U.S. Government sources claimed Tuesday.

This development is considered noteworthy in that North Korea has rejected a recent South Korean proposal to activate inter-Korean economic cooperation.

A government source here said that "American businessmen in South Korea are scheduled to visit North Korea at the end of this month."

A U.S. Government official, while declining to comment on the proposed visit, emphasized that American businesses' contacting North Koreans does not violate U.S. law.

Another source here said he had heard that State Department officials would come to Seoul soon in connection with a proposed trip to Pyongyang via Beijing.

Washington's policy on North Korea, he continued, is that U.S. businessmen can approach that country independently or establish joint partnerships with South Koreans to gain a strong foothold there.

A Chinese-American lawyer involved in Korean economic affairs said that "U.S. businesses are showing particular interest in North Korea's infrastructure."

As one example, he continued, small communications firms rather than giants like AT&T are more conscious of future business opportunities in North Korea as they could provide less expensive equipment more suitable to its needs.

Meanwhile, the American Chamber of Commerce and Industry [Amcham] in South Korea recently gave a strong indication that Amcham members would visit North Korea as soon as U.S. Government guidelines were clarified.

U.S. trade sources said Amcham made such plans based on the momentum of the Pyongyang-Washington nuclear agreement.

They said the chamber's plans were stymied, however, as no U.S. Government guidelines had been drawn up.

Foreign Ministry Denies Report

SK1611073294 Seoul YONHAP in English 0726 GMT 16 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 16 (YONHAP)—The South Korean Foreign Ministry denied press reports Wednesday that American businessmen operating in Seoul will visit North Korea toward the end of this month.

The ministry said it was told by the American Chamber of Commerce (Amcham) here that they knew of no such plans and were not in a position to make any.

The local press reported, based on a Washington dispatch quoting U.S. Government sources, that U.S. businessmen operating in South Korea would visit North Korea at the end of this month.

There were similar reports earlier but the ministry, Amcham and the embassy all denied them.

More on Minister's Comments

SK1211060794 Seoul TONG-A ILBO in Korean 12 Nov 94 p 2

[FBIS Translated Text] On 11 November, Yi Hong-ku, deputy prime minister and minister of the National

Unification Board, said: "It seems that there will be no major progress in ROK businessmen's direct investments in North Korea without an agreement between the South and North authorities."

Deputy Prime Minister Yi said this at a meeting of the Standing Committee of the Advisory Council for Democratic and Peaceful Unification (secretary general: Yu Kyong-hyon) at the Sejong Cultural Center. He added: "It is essential to achieve an agreement between the authorities of the South and North to guarantee ROK enterprises' investments and make a decision on the method of settling payments."

He emphatically said: "When aid for the construction of light- water reactors begins, it is expected that from 800 to 1,000 people will visit the North. It is necessary to establish a framework of dialogue between the authorities of the South and North even for the safe return and personal safety of the businessmen and technicians, including the 800 to 1,000 people, who will visit the North."

Prior to this, in a meeting with reporters, Deputy Prime Minister Yi said: "We do not regard North Korea's denunciation of our policy to galvanize the South-North economic cooperation as a complete rejection of such cooperation. There is no change whatsoever in the government's policy to resume South-North economic cooperation."

* Article Notes Returning U.S. Economic Boom

952C0007A Seoul CHUGAN CHOSON in Korean
22 Sep 94 pp 12- 15

[By reporter Kim Ki-chon]

[FBIS Translated Text] Releasing its second quarter earnings on 28 July, Ford Motor Company of the United States announced that it made a profit of $1.71 billion in the second quarter, the highest all-time quarterly profit ever recorded in the entire U.S. automobile industry. The U.S. automobile industry has been booming since the beginning of this year, but the size of Ford's profit exceeded the expectations of most of the experts. However, that record was broken overnight. On the following day, General Motors (GM) announced that it earned a profit of $1.92 billion in the second quarter.

As late as 1992, GM was in its worst financial crisis, with its red ink soaring to $5.7 billion, which forced then Chairman Robert Stempel to step down. It was really a miracle that it was able to announce an all-time profit record in only two years. That was not all. Chrysler, which was in such poor shape that its name became a synonym of poor business, proudly announced that it made a profit of nearly $1 billion. The combined profit of the "Big Three" totaled a whopping $4.6 billion.

Even more than for Ford, which has been reputed for its relatively sound management, the dramatic recovery of GM and Chrysler has great implications, in addition to the fact that the process of recovery is interesting in itself. Although the day when "whatever is good for GM is good for the United States" is gone, the resurrection of the "Big Three" symbolizes that the United States, which seemed to be a military power that had seen its best days, has recovered its strength and the era of "pax Americana" with it.

As if to substantiate this, the "1994 World Competitiveness Report" on 41 industrialized and major developing nations—recently released by the Lausanne-based Institute for Management & Development [IMD], a private Swiss economic research institute, and the World Economic Forum—singled out the United States as the most competitive country in the world. The United States has succeeded in regaining its first place in eight years since it surrendered the position to Japan in 1986.

However, this is not something new, the news being nothing more than a confirmation of an established fact. Early this year WALL STREET JOURNAL made this interesting comparison: The United States is coming out of the health club after having sweated to build up its strength these past several years when Japan and Germany are just applying for membership in the sports center. In a special edition on the Japanese economy, THE NEW YORK TIMES used the expression "Japan as Number Two" by parodying Ezra Vogel's book title "Japan as Number One."

The United States must have strengthened its economic power tremendously, so much so that it is as confident as described by WALL STREET JOURNAL and THE NEW YORK TIMES. What is the background against which the United States has risen to the summit once again, pushing aside Japan, the country which has aroused a sense of awe in the minds of economic experts and which has been an object of envy?

First of all, U.S. enterprises have carried out the kind of bold management innovations and structural improvements that would have been impossible in other countries. They are the winds of restructuring, reengineering, downsizing, rationalizing, and merging that have swept across the United States for the past several years.

What deserves attention in this connection is the fact that there have been merciless personnel reductions bordering on a "massacre" in scope, in the process of managerial innovations carried out by U.S. enterprises. For instance, in the case of IBM, which was compared to the dinosaur which became extinct because of its unwieldy body, it began to earn a profit in the fourth quarter of last year after having dramatically reduced its personnel strength by as many as 90,000.

GM closed eight of its plants in the United States and laid off 70,000 employees. Other firms laid off a large number of employees without exception. All told, 615,000 workers were laid off in the United States last year. As of this July, an additional 319,000 employees were laid off. These layoffs represented such a revolutionary step that in other countries they might have caused a dire social unrest and even might have incited riots. But it must be noted with attention that those layoffs proceeded in a relatively quiet atmosphere in the United States.

The personnel cuts were not limited to workers on the site. IBM's John Akers, GM's Robert Stempel, Eastman Kodak's Kay Whitmore, American Express' James Robinson, Apple Computer's John Sculley, and other prominent CEO's were sacked in tandem for reasons of poor business management. GM pensioned off 20,000 white-collar workers by the end of last year, and plans to lay off additional thousands this year. Midlevel managers were sacked in droves in most firms.

Needless to say, the rationalization drive was not just aimed at saving the personnel cost through personnel cuts. A thoroughgoing innovation drive was waged to change the business structure in the whole spectrum, from engineering to production and management. It was thanks to this drive that Chrysler was able to put on the market its strategic compact car "Neon" priced at $2,000 to $3,000 below the prices of the equivalent Japanese models. Neon is as good as any equivalent Japanese model in terms of quality and design, and it took 31 months to develop, five months shorter than the Japanese average of 36 months. Its development cost was $1.3 billion, or just 65 percent of the Japanese average development cost of $2 billion. Neon has completely shattered the common belief that "the Big Three cannot succeed in the compact car category."

On the contrary, Accord, once the most popular model and the symbol of Japanese cars in the United States, was overtaken by Ford's Taurus in 1992, and has been rapidly slipping down since then, ranking seventh in this past July. The high yen value is partly to blame, but Japanese cars are losing their price competitiveness because of their excessive high-tech parts.

The underlying strength of the U.S. economy is not only found in the boldness to carry out sweeping managerial innovations but also in the creativeness and flexibility to explore new industrial frontiers. When Japanese enterprises carried out "indiscriminate bombings" on the U.S. market with a low-price policy in disregard of profits, U.S. firms showed a "passive response" by abandoning their market rather than countering the Japanese offensive head-on. The Japanese sneered at this attitude saying U.S. enterprises are taking a myopic view, concerned only for immediate profits. They gloated, "It is only a matter of time before U.S. enterprises and the U.S. economy will slide down to second or third rate because they lack long-range views."

But reality belies this prophesy. Let us take the semiconductor industry as an example. For the following 20 years since the first semiconductor chip was discovered, the United States had dominated the world's semiconductor chip market before suffering a miserable defeat at the hands of Japan, which had made concerted efforts to develop its semiconductor industry at the initiative of the Ministry of Trade and Industry.

In the period from 1983 to 1989, the U.S. semiconductor industry had a miserable experience, with the loss amounting to $4 billion and the number of employees laid off reaching 25,000.

Intel, which started in Santa Clara, California, in 1968 with eight engineers and a capital of $3 million, was at a crossroads of survival or extinction in those days under the offensive of Japanese-made memory chips. It was in such a serious crisis that it had to close down eight plants and lay off 7,000 out of its 25,000 employees. Intel abandoned its memory-chip business and took a big risk and moved into a brand new field of microprocessor production.

As a consequence, Intel came to monopolize the microprocessor industry—an area which Japan took no notice of—and became the world's largest semiconductor firm in the world, as well as in the personal computer (PC) field.

On the contrary, the Japanese firms which appeared to be relegating the U.S. semiconductor industry to ashes are these days reeling under the fierce offensive of Samsung of South Korea and the latecomers in other developing countries, while resting on their laurels in memory chips. The U.S. share in the world's semiconductor market last year was 41.9 percent, slightly higher than Japan's share of 41.5 percent.

The United States has invariably a leading edge over Japan and Europe in what are regarded as key industries of the future, such as information, communications, media, space, aeronautics, and bioenginering. When the world moves into a full-fledged information age, the concepts of geographic borders and national economies would become meaningless, rendering it difficult to distinguish the nationality of one enterprise from that of another. Under these circumstances, it is very noteworthy that American enterprises are demonstrating an outstanding ability to explore new industrial frontiers.

What needs to be mentioned in this connection is the fact that small and medium-sized enterprises are taking the lead in these high-tech industries. In addition to the well-established stars such as Intel and Apple Computer, the continuing emergence of new small- and medium-sized enterprises—such as Oracle, the frontrunner in the interactive media field; Microsoft in the software industry; and McCaw Cellular in the wireless communications industry—is breathing new life into the economy on the whole.

In the United States, quite a number of small and medium enterprises explore their unique roles and grow into world-class enterprises not only in high-tech industries but also in various other fields, like Federal Express in overnight delivery services, for instance. Creation of small and medium enterprises is under way more actively in the United States than in any other country.

It may be because of the starting boom of small and medium enterprises that the layoff of tens of thousands of employees by big corporations has not snowballed into serious social issues and that despite such large-scale layoffs the rate of unemployment stays at the 6 percent level. In addition, small and medium enterprises with 19 or fewer employees account for the bulk of U.S. exports. The weight in the U.S. economy of the 500 big corporations selected by the FORTUNE magazine has decreased to the current 10 percent from 20 percent in 1970. In a nutshell, it is no exaggeration to say that the U.S. economy is now being led by small and medium enterprises. They are distinctively different from Japanese small and medium firms, which are unable to free themselves from the status of being the subcontractors of big corporations.

What has made it possible for U.S. small and medium enterprises to play a leading role in exploring the future while big corporations were carrying out managerial innovations to introduce the same kind of vigor and agility that small and medium enterprises demonstrated? The British journal ECONOMIST paradoxically pointed out, "it was due to the U.S. industrial policy, or to be more accurate, due to a lack of industrial policy."

This is to say that it was due to the climate that inhibits the government from meddling in business and encourages enterprises to give full play to their initiatives. Particularly in the period of the Reagan administration in the 1980's, special emphasis was placed on the principles of free-market economy by completely deregulating the aeronautic industry, for instance. This touched off a frenzied wave of merger and acquisition (M&A) in the latter half of the 1980's, accompanied by serious side effects. Nevertheless, thanks to this drive, innovative management strategies, such as restructuring and reengineering, were born.

When Pan Am, once a major U.S. airline company, and Macey's Department Store went into bankruptcy, the U.S. Government did nothing to bail them out except taking steps provided for by the law. Business executives had no choice but to take bold measures to stave off bankruptcy or "coups by shareholders" under the fast changing environment.

Nevertheless, the U.S. economy has its own problems. The ever-widening income gap is a matter of particular concern. Unlike Europe beset by unemployment, the United States has succeeded in creating more jobs, most of the gains nevertheless in low-wage categories. The wages of skilled and highly educated workers are rising rapidly, whereas those of unskilled, less-educated workers are rather decreasing compared with the wage level in the early 1980's.

That the recovery of the competitiveness of U.S. enterprises is not leading straight to a corresponding improvement in the standard of living, could become a serious problems in the future. Nor is there a clear prospect for eliminating the fiscal and trade deficits, the legacy of Reaganomics. The deterioration in the average quality of education, and the sharply rising cost of medical care could be a constraining factor for the U.S. economy.

It is hard to hastily conclude that the United States will be able to solve these problems by dint of its improved competitiveness based on the economies of scale. In a sense it may be said that these problems and the question of recovering the competitiveness of the U.S. economy are the two sides of the coin. In the last analysis, here one may confirm the truth that when it comes to economic woes, there can hardly be a remedy free from side effects.

If we seek to learn something from the brilliant economic recovery of the United States, we should continue to watch how it will resolve its unsolved social problems.

Embassy Staff, Ambassador To Evacuate Algeria

SK1611005794 Seoul YONHAP in English 0031 GMT 16 Nov 94

[FBIS Transcribed Text] Paris, Nov. 16 (YONHAP)—South Korean Embassy staff in Algeria, including Ambassador Kwon In-hyok, will arrive in Paris on Wednesday to escape from terrorist violence in the North African nation, the South Korean Embassy here said.

Embassy officials decided to evacuate from Algeria as Islamic fundamentalists strengthened their threat to kill all foreigners living in the country in an armed uprising against the government.

Armed Islamic groups have taken responsibility for the deaths of more than 80 foreigners, including 21 French citizens and one Korean, in the last 15 months.

Kang Tae-hyon, employed by a South Korean-Algerian joint venture company, was killed by Islamic fundamentalists last month.

A counselor-level official will remain in Paris for the time being to handle matters concerned with Algeria, the embassy officials said.

Parliamentarian Delegation Departs for Thailand

SK1211035294 Seoul YONHAP in English 0252 GMT 12 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP)—A delegation of South Korean lawmakers departed for Thailand Saturday to attend the 29th General Assembly and a Board of Directors' meeting of the Asia Pacific Parliamentarians' Union (APPU).

The delegation, headed by Rep. So Chong-hwa of the ruling Democratic Liberal Party (DLP), will present to the APPU General Assembly a resolution that urges North Korea to improve its human rights record and repatriate detained South Koreans and that seeks a guarantee of common interests in the Asia-Pacific ahead of the World Trade Organization (WTO), parliamentary sources said.

The South Korean delegation to the APPU, a group of parliamentarians from 23 member countries, attending the Nov. 14-18 assembly comprises chief delegate So, Reps. Kang Yong-sik of the ruling DLP, Pak Chong-hun of the main opposition Democratic Party and independent lawmaker Yi Cha-hon and Yi Ki-kon, deputy secretary-general of the National Assembly Secretariat.

YONHAP, Kuwaiti News Agency Conclude Accord

SK1411011694 Seoul YONHAP in English 0042 GMT 14 Nov 94

[FBIS Transcribed Text] Kuwait, Nov. 14 (YONHAP)—YONHAP News Agency concluded a news exchange agreement Monday with the state-run Kuwait News Agency (KUNA).

YONHAP President-publisher Hyon So-hwan met with KUNA Chairman- managing director Yousef Mohammad al-Sumait [name as received] to sign the agreement, which will promote news exchanges and cooperation between South Korea and Kuwait.

The deal stipulates that the two news agencies will exchange general news as well as feature stories.

Former General Appeals Regarding 12 Dec Incident

SK1211035394 Seoul YONHAP in English 0242 GMT 12 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP)—Former Army Chief of Staff Chong Sung-hwa and 20 other ex-Army officers on Saturday submitted a fresh letter of appeal to the prosecutor- general's office, defying a rejection by the Seoul high prosecutor's office of their appeal protesting an earlier prosecution decision not to indict former President Chon Tu-hwan and others who were involved in the Dec. 12, 1979, "coup d'etat-like incident."

In the new letter of appeal, Chong and the others asserted, "The Seoul high prosecutor's office's rejection of the appeal on reasons that no ground can be found to judge as erroneous the decision of the Seoul district prosecutor's office not to indict former President Chon constitutes another abuse of the right of prosecution."

The Seoul high prosecutor's office Thursday rejected the appeal, saying, "The Seoul district prosecutor's office made a proper judicial judgement on the Dec. 12 incident after a lengthy investigation. Upon review of the case, it is concluded that the decision not to the indictment of former President Chon is appropriate."

Ruling, Opposition Clash Over 12 Dec Incident

SK1411034994 Seoul YONHAP in English 0310 GMT 14 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP)—The ruling and opposition parties are approaching a head-on collision over the issue of the Dec. 12, 1979, "military rebellion," with the current National Assembly regular session already stalemated for more than a week.

For its part, the ruling Democratic Liberal Party (DLP) may proceed with the parliamentary session unilaterally if the opposition Democratic Party (DP) fails to return.

The political confrontation is becoming tenser as the DP conducts extra-parliamentary activities demanding that the prosecution indict those involved in the "coup d'etat-like" incident.

At postholders' and floor measures' meetings convened Monday morning, the DLP decided to operate the assembly unilaterally from next week if the opposition party is still struggling outside at that time.

However, the ruling party decided to continue trying to persuade its rival until this weekend, when President Kim Yong-sam returns from overseas.

DLP Chairman Kim Chong-pil asserted that party members must remain in contact with the DP to discuss normalization of the Assembly until President Kim returns home.

DLP floor leader Yi Han-tong said his party will work out firmer steps to ensure normal parliamentary operations, declaring that "we have to be fair and square as members of the ruling party responsible for state affairs."

Earlier, the DP held a floor and deputy floor leaders' meeting at the Assembly and discussed a detailed floor strategy to prepare for unilateral operation of the assembly from next week to act on next year's budget bill and other major issues shelved by the standing committees.

The DLP also plans to hold floor leaders' meeting with the opposition party as early as possible to persuade the latter to stop its struggle outside the parliament.

The DP convened its supreme members' committee Monday and reaffirmed its previous decision to demand that the prosecution indict the military "rebels" allegedly involved in the Dec. 12 incident.

During the meeting chaired by DP Chairman Yi Ki-taek, the participants decided to hold a discussion session with religious and dissident groups on Monday, distribute the party paper on Tuesday, and hold a meeting for social and dissident leaders on Wednesday.

Party sources said if President Kim does not make any determination until after he returns from overseas, the DP will launch full-fledged activities including a massive rally in Seoul's Yoido Plaza or Boramae Park.

DP spokesman Pak Chi-won said the supreme members endorsed party Chairman Yi's continued struggle for prosecution indictment of those involved in the military incident.

Plan for Free-Floating Exchange Rate Studied

SK1111063694 Seoul THE KOREA TIMES in English 11 Nov 94 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] The government is reconsidering its plan to adopt a free floating won-dollar exchange rate sometime in 1996 or 1997 as the International Monetary Organization (IMF) is pushing to set a band for foreign exchange rate movements.

Finance Minister Pak Chae-yun has told his deputies to study whether it is desirable for Korea to move toward a free floating system at a time when the world is moving toward a managed floating or the target zone system.

Seoul widened the daily fluctuation band for the won-dollar exchange rate in March, 1990. This month, the won-dollar exchange rate fluctuation band was further widened to plus or minus 1.5 percent the previous day's tradeweighted average rate in the foreign exchange market. Theoretically, the won-dollar exchange can change up to 24 won per day but it is rare for the rate to move by more than one won.

The recent widening of the band was designed to move the nation's "managed float system" toward a free floating won-dollar exchange rates sometime in 1996 and 1997.

A Ministry of Finance official said it is premature to conclude that Korea will not move toward the free floating system. But he added, "We are carefully watching the international discussion of the introduction of the target zone system in the foreign exchange market."

IMF Managing Director Machel Camdessus has said that the exchange rate volatility and misalignment under the current free floating system has continued to be too costly and destabilizing to be acceptable. He said he is attracted by the objective of carefully designed systems of formal exchange rate commitments.

But his push to adopt the target zone system is opposed by major countries, including the United States, the European Union and Japan, which are not inclined to subordinate their monetary policies to exchange rate objectives.

The target zone system is similar to the nation's managed float system which limits the daily fluctuation band of the foreign exchange rates.

The government official added that if the IMF adopts the target zone system to stabilize the global foreign exchange rates, Seoul may reconsider its plan to adopt free floating foreign exchange rates.

* DP's Infighting for Seoul Mayor's Post Noted

952C0008C Seoul CHUGAN CHOSON in Korean 22 Sep 94 pp 28-29

[By reporter Hong Chun-ho: "Whoever Reads Kim Tae-chung's Mind ..."]

[FBIS Translated Text] Cho Se-hyong, a member of the Supreme Committee of the Democratic Party [DP], has emerged as the opposition's first challenger to the post of Seoul mayor. He formally announced his candidacy at a news conference on 9 September. Meanwhile, Reps. Hong Sa-tok and Yi Chol of the DP served notice that they would follow suit. Yi Chol says he will announce his candidacy next month at a major event attended not only by DP members but leaders from all walks of life as well, while Hong Sa-tok says he will announce his candidacy as soon as the current regular session of the National Assembly is over. There are more potential candidates in the opposition camp. Han Kwang-ok, also a member of the DP Supreme Committee, who belongs to the Tonggyodong [Kim Tae-chung's residence] faction, is one of them. Pak Sil, a DP nonmainstreamer, is pondering his candidacy, too, although groping in the dark currently. Also, Pak Chan-chong, chairman of the Sinmin Party, has long been a leading potential candidate in opinion polls.

All of them are trying to sell themselves on their political abilities, chances of winning and popularity, each claiming that he has his special weapon. But there is another aspect about which they should be concerned just as much—the turfs inside the opposition sphere. To advance to the final contest, one has to win the semifinal—the party nomination.

For an opposition politician, the significance of becoming the first popularly elected Seoul mayor is profound indeed. It is a shortcut to making himself a leading politician at a bound. If things go right, he could use the post as a stepping stone and nurture a bigger ambition for an even higher office. It is a post important enough to draw the full attention of not only the individual candidates but also all the factions in a party. Conversely speaking, it is inevitable for the opposition camp to go through its complex power game before picking up its candidate. While the candidate is, procedurally, picked by a vote of party delegates, their votes, in actuality, are predecided by a bargaining among the factions.

Announcing his candidacy, Cho Se-hyong said that the nomination of a candidate "must not turn into a factional confrontation but a contest in good faith between policy-based groupings." In short, it should be a face-off between men of ability, not an intraparty power struggle, according to him.

The emphasis he put on the subject seems to indicate that he is very much conscious of the climate in the DP that shows, paradoxically speaking, signs of a slide into a factional confrontation. To prove it straightforwardly, he, announcing his candidacy, declared that he supports the political line of Kim Tae-chung, chairman of the Asia Pacific Foundation, and even said that if elected, he will follow it.

Those sitting behind Cho Se-hyong at the news conference were also symbolic of the party climate. Among them were Hong Yong-ki, vice speaker of the National Assembly; Sin Sun-pom and No Mu-hyon, members of the DP Supreme Committee; Reps. Kim Mal-yong, Yi Yong-kwon, Yu In-hak, Kim Chong-wan, Cho Hong-kyu, Yi Hui-chon, Na Pyong-son, Pak Kye-tong, Pak Chong-hun, Chang Yong-tal, Kang Chol-son, Kuk Chong-nam and Hwang Ui-song; Yang Song-u, Kim Yong-sul and Ko Yong-ha, chairmen of DP district chapters in Seoul. Except for some National Assembly members including Pak Kye-tong, there is a gap between them and the DP mainstreamers. Most of them are positive nonmainstreamers or middle-of-the-roaders closer to the nonmainstreamers.

There are two factors making challengers to Seoul mayor's post inevitably conscious of the influence of Kim Tae-chung. First, a considerably large number of party delegates of the Seoul region are originally from Honam. Moreover, a majority of district chapter chairmen are mainstreamers. Of Seoul's 43 district chapters—not counting the currently defunct Kangnam-A district—more than 20 are led by chairmen distinctly leaning toward the mainstream. Kim San-hyon, DP adviser, and Reps. Pak Sil, Kim Chong-wan, and Kim Won-kil are about all the district chairmen who made their positions as nonmainstreamers clear. While no small number of district chairmen are middle-roaders, closer to the nonmainstreamers, the mainstreamers are ahead in terms of committed votes.

Then, what will be the choice of the mainstreamers? DP Chairman Yi Ki-taek is yet to speak his mind. More precisely, he seems to have no cards for a positive play in his hand. It is because he has no disciple of his own among assemblymen whom he can put up as his candidate for Seoul mayor. Rep. Hong Sa-tok belongs to the Minju [former Democratic Party] faction, but he has long been closer to the Tonggyodong side. Rep. Yi Chol, who had turned his back to Chairman Yi Ki-taek, is seeking to end his activity as a nonmainstreamer and improve his relationship with the mainstreamers; still, he is putting himself closer to the Tonggyodong side than to the Yi Ki-taek side. Therefore, it is not too much to say under the present circumstances that the decision-making power of the mainstreamers is in the hands of the Tonggyodong group.

If Yi Chol should join Naeoe Munje Yonguhoe (Naeoe Yon for short) [Korean and Foreign Affairs Research Society], a gathering of the Tonggyodong group, the group will have three potential candidates for Seoul mayor. Of them, Hong Sa-tok is Naeoe Yon's vice chairman, while Supreme Committee member Han Kwang-ok is an adviser and a driving force of the gathering. The importance inside Naeoe Yon apparently is in order of Han Kwang-ok, Hong Sa-tok, and Yi Chol.

But it is unlikely that the Tonggyodong group will pick a candidate only for that factor. It is highly possible that the group will rather seek to expand its influence at factional levels and, while keeping an eye on political developments, make a decision based on such developments.

Competition Developing Within the Mainstream, Too

The Tonggyodong group appears to be working to develop a competitive system within the mainstream, too. The mainstream would not pick its candidate too early, because the moment it picks, the political "bait" effect in the Seoul mayoral candidate deal will be gone. It is as clear as day that an early picking of a candidate would lead to laxity among the mainstreamers while helping the nonmainstreamers increase solidarity. A key member of the Tonggyodong group cited another reason for competition needed within the mainstream. He argues that competition is the only way to make contenders work harder and to draw public attention. It is precisely for that purpose, he explains, that the Tonggyodong group brought in Chong Tae-chol as adviser and pluralized potential presidential candidates within the party.

The Tonggyodong group first spread the word that Han Kwang-ok would be the DP candidate. It was early this year. But it did not appear to be a serious, final decision. Rather, it appeared to be an effort to send a message to those dreaming of becoming a candidate for Seoul mayor.

These days the Tonggyodong group is actively discussing the possibility of Hong Sa-tok's or Yi Chol's becoming a candidate. As for Hong Sa-tok, the group sees his popularity and approval ratings in media polls which are highest among DP politicians, as his strength. Regarding Yi Chol, the group thinks highly of his image as a politician speaking for younger generations, while showing concerns over the election-time effects of his unique "fighter" image and over how much he has succeeded in softening that image.

The destiny of Han Kwang-ok is linked to future leadership assignments in the group. With the party Supreme Committee reducing the number of its members to six at the national convention next year, the Tonggyodong group is planning to take three seats. As one of the six seats is reserved for a woman regardless of elections; either Rep. Yi U-chong of the Tonggyodong group or Pak Yong-suk, current Supreme Committee member is expected to take it. This means that the group has to fight for two seats. In this connection, a highly placed source said that Kwon No-kap, current Supreme Committee member, and Han Kwang-ok will probably run for them to secure the group's leadership in the party. His point is that with Kim Won-ki—a current member of the Supreme Committee whose electoral turf is the North Cholla region—running for party chairmanship and Cho Se-hyong for Seoul mayoralty, Han Kwang-ok will have an advantage in the Supreme Committee election. More important for the Tonggyodong group is to secure its position as the DP's central force; with regard to the mayoral candidacy issue, it is more desirable to use it as a means to expand the group's influence, the source observed. As Han Kwang-ok is known to be very much interested in the Seoul mayor post, how the matter will be settled within Naeoe Yon remains to be seen.

Still, there is room for some doubt if the mainstreamers persist in a confrontation with Cho Se-hyong. While contending that Cho is lagging behind Hong Sa-tok and Yi Chol in popularity and approval ratings in media polls, the mainstreamers concede that he is ahead of Hong and Yi with his unique power base inside the party. Moreover, in case Hong Sa-tok or Yi Chol should be elected to the Seoul mayor post, there is the danger of their attempting to use it as a stepping stone for an even higher office, and this is another point to cause mainstreamers to worry. Observed from this viewpoint, the Tonggyodong group's moves thus far seem to indicate that it is thinking of setting up variables and maintaining the flexibility of its position on them for now, rather than committing its support to one candidate, and thus of increasing its influence.

The risk of this strategy is that it could trigger discords within the mainstream itself toward the end. It is precisely what the nonmainstreamers are gambling on. Along with Cho Se-hyong, Pak Sil is also a candidate with a bent away from the mainstream. But the possibility is high of the nonmainstreamers' overcoming their numerical inferiority by forging a grand alliance. To that end, they can use the strategy of running a single candidate and strengthening solidarity with proreform groups and centrist forces and thereby capitalize on the weakness of the mainstream that could fail to unify its candidates.

Meanwhile, if a merger of the opposition parties should materialize, it will not be impossible for Rep. Pak Chan-chong to become the opposition's candidate. It is a fact that there were discussions on that matter between the mainstreamers of the two parties, DP and Sinmin; however, revelations of the fact sparked strong protests among members of both parties, the nonmainstreamers in particular. In addition, DP members do not regard Pak Chan-chong very kindly. So, under the present circumstances, there seem to be quite a number of obstacles to his candidacy.

Week's Stock Exchange Showings Chronicled

SK1211060594 Seoul YONHAP in English 0532 GMT 12 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 12 (YONHAP)—Share prices gained substantially before plunging at the Korean Stock Exchange this week.

The leading composite stock price index wound up sliding 8.78 points in the week from 1,125.01 last Saturday to 1,116.23.

In the initial part of the week, the index rose to an all-time high influenced by favorable market fund conditions and the government's decision to energize inter-Korean economic cooperation. Later, however, the index plunged amid waves of heavy selling by players wary of a possible tightening of monetary controls and the sharp price rise of the recent past.

Issues that declined markedly during the week included lumber, mining, prefabricated metal, machinery and textiles while those of steel, foods and electric machinery increased.

Volume in the week totaled 279.93 million shares or 46.65 million a day, down 16.3 percent from the previous week. Turnover amounted to 5,992.5 billion won or 998.8 billion won per day.

During the week, institutional investors bought 1,594.3 billion won worth of shares and sold 1,474 billion won worth.

Players' deposits increased 204.4 billion won in the week ending Thursday from 3,550.1 billion won on Thursday the previous week to 3,704.5 billion won.

A market analyst said favorable factors facing the bourse in the immediate future include the continuing brisk business activity, swelling players' deposits and the imminence of an expanded foreigners' stock investment ceiling.

Among the anticipated unfavorable factors are signs of unstable market fund conditions, likely heavy selling by institutional investors and an outflow of funds due to the sale of Korea Telecom and other public corporate issues.

* Bright Future Seen for Aerospace Industry

952C0007B Seoul PYONGHWA TONGIL in Korean Sep 94 pp 34-36

[Unattributed article on prospects for the ROK aerospace industry]

[FBIS Translated Text] The ROK entries at the recent Singapore Air Show have received good marks for their substantive contents and innovative ideas. The displays included not only a commuter plane but also military trainers and helicopters.

In the past our aerospace industry seldom actively participated in international air shows, and very little about it has been known to the outside world. Through the entries at the latest air show our aerospace industry has given a new impression. First, we will introduce the major players in our aerospace industry below.

As there is (Japan Association of Aerospace Industries) in Japan, we have Korea Aerospace Industries Association (KAIA), consisting of 48 regular members and nine honorary members. The major companies among the regular members are: Samsung Aerospace Industry; Korean Air's Aerospace Division; Daewoo Heavy Industries; Goldstar Precision Co.; Hyundai Precision and Industry Co.; and Samsung Electronics Co. The number of employees in our aerospace industry totals 6,500, of which Samsung Aerospace, Korean air, and Daewoo Heavy Industries account for 80 percent with 5,176 employees.

The latest air show has confirmed that our aerospace industry has developed steadily and is now entering the stage of development on its own. Since our country established diplomatic relations with Russia in September 1990, relations between the aviation industries of the two countries have grown increasingly intimate.

The entries that attracted the greatest attention were KTX-1 and KTX-2. Not much detail was revealed about these two entries because of the current stages of their development. However, the display of these two models, one a turboprop and the other a jet, has caused quite a sensation.

As for KTX-1, Daewoo undertook to develop it in 1990 as the primary contractor designated by the government. The first trial model made its first flight in 1991, and the second trial model made its first flight in 1992. According to the current schedule, KTX-1 will begin to be mass-produced for delivery to our Air Force beginning in 1996. The KTX-1 model meets the requirements for American trainers as well as the FAR Pt 23 provisions setting the standards for acrobatic and general-purpose aircraft. All together 100 KTX-1's will be produced.

The specifications of KTX-1 as made public at the air show are as follows: Overall width, 10.12 meters; overall length, 13.30 meters; maximum height, 3.74 meters; wing area, 15.53 m^2; empty weight, 1,430 kg; maximum take-off weight, 1,930 kg (for acrobatic flight)/ 2,480 kg (for normal flight); carrying capacity, 500 kg (acrobatic flight)/1,050 kg (for normal flight); engine, Pratt-Whitney Canadian PT64A-62 (1,00 [figure as published] shp) x 1; maximum speed, 285 kt/1,000 ft; service ceiling, 38,000 ft; rate of climb from sea level, 3,500 ft/min; take-off distance, 1,300 ft; landing distance, 1,680 ft. The outer look of the fuselage is just like the EMBRAER Tucano.

KTX-2 is an advanced single-engined jet trainer model being developed by Samsung and has a supersonic capability. Data on this model are scanty because it is still in the developing stage. The bulletin board near the display contained little information except the following:

"KTX-2 is a new supersonic jet trainer being jointly developed by Koran firms led by Samsung. It will be ready for flight by the year 2004.

"Mission: for upgrade pilot training and light ground attack. Characteristics: fly-by-wire controls; back seats positioned high, split-type air suction mouth, optional censor used in attack; dual vertical tail assembly; wings positioned high; six hard points. Rated capacity: maximum Mach 1.4; maximum range of 1,000 nm."

The nose of the model looked large compared with the tail section. The look of the dual vertical tail wing raised doubts as to its efficiency. Most probably, there will be some modifications when the plane is actually produced.

A Sidewinder missile is placed on each upper end of the two main wings, leaving room for the placement of arms in four places under the main wings.

Instead of actual instruments, a picture of customary instruments was posted on the instrumental panel. The cockpit is expected to have a glass roof when the plane becomes operational. On the whole the impression was that the model is only halfway finished. Nevertheless, it is a fact that research work is in progress to develop this type of plane, and this process is being watched with much expectation and interest.

The ROK has come to possess a capability to develop aircraft on its own thanks to the technical know-how accumulated through license-based production. Korean Air set up an aerospace division and took part in the local production of engines for F-5E/F aircraft. It signed a contract in 1980 on the production of this model, and its first F-5F made a debut in 1983. Korean Air delivered the last of its homemade F-5E/F aircraft (the 68th) in 1986.

Currently, the production of Lockheed F-16C/D aircraft has just been started under the Korean fighter plane production program (KFP). Our government permits the introduction of foreign fighter planes only on condition that they be produced in Korea under a license agreement, in order to foster our own aircraft industry. It was for this reason that the original plan to purchase F/A-18's was shelved in favor of F16's.

The KFP program is divided into three stages, namely, the purchase of 12 finished fighter planes in the first stage, followed by the knockdown production of 36 fighter planes in the next stage, and the license-based production of 72 fighter planes in the third and final stage.

Currently, the 13th plane is being assembled at Samsung's Sachon factory; the assembly work for a total of 19 planes will begin by the end of this year.

For the fuselage, F-16C/D Block 52D will be used, and for the engine, Pratt & Whitney F100-PW-229 (IPE) will be used. The number of F-16's to be produced will be 120, consisting of 80 of the C model and 40 of the D model. The delivery (purchase of) finished F-16C/D aircraft will begin in October 1994.

The ROK has close ties with the United States when it comes to fighter planes; on the other hand, when it comes to helicopters, the ROK has been developing new ties with Russia. A Ka-32 "Helex" drew a picture of the Korean national flag in the sky in a demonstration flight made in connection with the ROK-Russia joint pilotless helicopter development plan based on the Ka-37 model with coaxial reversible [tongchuk panjon] rotors. On the other hand Daewoo is developing an improved Mi-17 model jointly with Mil and Kazan helicopter companies.

This new model, dubbed MK-30, is based on the Mi-17 model, with its fuselage and cabin remodeled, and will be equipped with modern electronic instruments. The engine will be an unmodified Klimov TV3-117VM (2,250 shp), and the main rotor will be a counterbalanced type like the Mi-171 rotors. The MK-30 as appeared in distributed pictures looked like a modified Mi-17, but the display model had an extended front part of the fuselage to leave room for a radar or some other equipment to be installed. An MK-30 is scheduled to make its first flight this coming November. The plan calls for acquisition of a certificate under [Federal Aviation Regulations] FAR Pt 29 and the delivery of MK-30's beginning in 1995. The main use of MK-30 helicopters will be personnel transportation (28 seats), VIP transportation (seven, nine, or 11 seats), materials transportation, express mail service (EMS), sea disaster rescue operations, fire extinguishing drills, and parachute jumping.

Dimensions: Length, overall, 25.13 meters; cabin size, 5.35 x 2.34 x 1.80 meters; normal take-off weight, 11,000 kg; maximum take-off weight, 13,000 kg; maximum payload, 5,000 kg; engine type, TV3-117VM (2,250 shp) x 2. Performance: Maximum speed, 135 kt; maximum cruising speed, 124 kt; maximum vertical speed, 8.9m/sec; service ceiling, 6,000 meters; range, 495mm/950nm. Two crew members.

As for the production of other helicopters, Korean Air has been producing UN-60P helicopters for the army since 1990 under a license agreement. Korean Air also developed Blue Sky (Chang-Gong)-91, a four- or five-seater single-engined plane, on its own. Two Blue-Sky-91's are currently in service. The company obtained a certificate as private manufacturer of this model in August 1993. However, there have been no orders for Blue Sky-91.

In this way our country has been steadily nurturing the aircraft industry. There may be a gap between our aircraft industry and those of advanced countries right now. But we look forward to positive progress in the future.

* Consumer Protection in Financial Services Urged

952C0006B Seoul HANGUK KYONGJE SINMUN in Korean 22 Sep 95 p 5

[By Yi Pil-sang, professor of business administration at Koryo University]

[FBIS Translated Text] With the sharp rise in demand for specialized services in keeping with economic modernization, the protection of consumers in this domain has arisen as an important issue. Particularly in the financial services sector, the protection of financial consumers has been perceived as a pressing issue as the development of consumer credit became a widespread trend in the banking industry.

Under the current Consumer Protection Law [CPL], damage to consumers in specific financial service sectors that require a high degree of expertise is being handled by a special agency rather than the general consumer protection agency. To be specific, the protection of consumers in the financial services sector comes under the jurisdiction of the Financial Dispute Mediation Commission [FDMC] under the Office of Bank Supervision [OBS]. The FDMC has been quite active, with the number of awards to injured financial consumers totaling 1,356 cases last year.

The greatest problem in the protection of financial consumers at this moment is the lack of a correct perception of the banks on the part of injured parties. This stems from the fact that in the past the thresholds to the banks were too high under the government-controlled banking system. Therefore, the OBS should promote the notion that banks are organizations serving consumers and drastically increase the number of windows handling cases of financial injuries so that they may be easily redressed. It should also devise a system under which when the damage is reported to the Korea Consumer Protection Agency [KCPA] in the interest of the injured party, the report should be automatically referred to the FDMC under the OBS for settlement.

Speed and expertise are the life of a system for redressing injuries done to financial consumers. It follows that more experts should be placed in the positions dealing with financial disputes so that the expert investigative functions of the FDMC may be enhanced. In this connection, it is necessary to supplement the FDMC with more neutral members to insure fairness and objectivity in the business of protecting financial consumers.

Recently, the KCPA demands the improvement of the current consumer protection system, claiming that matters concerning the protection of consumers in the banking, securities, and insurance businesses are being handled by the supervisory organizations in their respective fields, and consumer protection in these areas is, in fact, in the dead angle. The main point of the proposed amendment is that the KCPA, in addition to the existing mediation agency, should be permitted to mediate in disputes involving consumers in the special financial service fields such as banking, securities, and insurance; that consumers should be free to choose a mediation agency; and the mediation by either agency should be equally binding.

The basic tone of the proposed amendment may be proper in the sense that it is aimed at meeting the ever-growing need for consumer protection in specialized financial service fields. But the dual mediation system would only bring about the serious side effect of lowering the level of expertise, causing confusion in the existing mediation system, and making the mediation of conflicting interests all the more difficult.

Handling financial disputes requires accurate factual investigations as well as expertise on financial services on the part of the mediation agency. The OBS is an organization specializing in the supervision and audit of banking facilities, and as far as the financial business is concerned, the OBS is capable of making a more accurate judgment and handling disputes better than any other organization. Accordingly, it will be most reasonable to have the OBS solely in charge of the protection of financial consumers, and rectify the deficiencies of the current system. In reality, a factual investigation of a banking facility concerned, is a must to settle a financial dispute, but when the settlement of the dispute requires information on the details of the transactions, it would be impossible for any organization other than the supervisory organization to collect such information under the "emergency financial and economic decree concerning the use of real names in financial transactions and the protection of secrets."

Another point to be considered in settling financial disputes is that it is more desirable to protect the rights of consumers in a forward-looking manner by accommodating the interests of the parties concerned rather than by interpreting the legal provisions simply to the letter of the law. Only by so doing is it possible to recover mutual trust between banking organizations and consumers and provide better quality services. The OBS has accumulated experiences in performing the role of such an arbitrator, and will be able to perform a better function in the protection of consumers in the future.

Duplicating consumer protection agencies is just like having two judges in a sports event. In the mediation of a dispute, a decision has the effect of an out-of-court settlement when both parties accept the decision. But if two mediation agencies make different decisions on the same or a similar case, each party to the dispute would choose only the decision favorable to it, thereby precluding any chance of agreement. In this case, consumers would be unable to make a correct judgment as to what constitutes the proper financial practices, and this might spur additional disputes and cause administrative confusion as well.

The argument over the protection of consumers should be focused on how best to protect consumers rather than which agency should take charge of the duty to protect them. In this sense, the key to improving the current system for the protection of financial consumers should be found in strengthening the existing protection organization rather than pluralizing the number of protection agencies. In conclusion, the proposal of the KCPA should be reconsidered, and efforts should be made to seek counsel of the many to strengthen the neutral and expert functions of the existing mediation agency for the effective settlement of disputes and the qualitative improvement of financial services.

* Handling of Consumer Protection Law Viewed

952C0006A Seoul HANGUK KYONGJE SINMUN in Korean 19 Sep 94 p 2

[By reporter Han U-tok]

[FBIS Translated Text] The "bill of amendment to the Consumer Protection Law [CPL]," introduced in the National Assembly by the administration in October 1992, has been stalled for nearly two years, with no clear directions for passage yet agreed upon. The reason is that with the interests of the government, consumer organizations, and business entangled, no easy way out of the impasse can be found. Continuing from the last regular session of the National Assembly, the government and opposition parties plan to have the bill deliberated during the current National Assembly session, but it is still uncertain whether the bill will be passed.

What matters is the fear that the delay in the passage of the bill may have an adverse effect on our foreign trade because the current CPL and related regulations as they stand now can hardly meet the requirements of the Consumer Policy Committee of the OECD (commonly known as the provisions of the Consumer Round (CR)). The ROK is scheduled to join the OECD in 1996.

Kang Kwang-pa, board member of the "Citizens Council for the Study of Consumer Problems" said: "The present CPL is very weak compared with the similar laws in advanced countries." "We should," he added, "come up with a more forceful legal device for the protection of consumers as soon as possible."

The reason the passage of the bill of the CPL is stalled in the National Assembly despite such urgent demand on the part of consumers is that the government and opposition parties are hesitating to take their stand in the face of the conflicting views of consumer organizations, the government, and business. The consumer side maintains that the scope of revision is too narrow; the government contends the extent of revision is sufficient; and the business community argues the proposed revision is too radical.

The first issue in the controversy over the bill of amendment is the question of who has the authority to make tests and public announcements with regard to the quality and performance of goods.

Under the current CPL, only the Korea Consumer Protection Agency [KCPA] under the Economic Planning Board [EPB] has the authority to make tests and announcements on the quality, performance, and ingredients of goods. But the draft amendment in principle permits private consumer organizations, in addition to KCPA, to make such tests and announcements. However, the draft amendment has the proviso that where tests require professional facilities, only "organizations designated by the president" shall make such announcements. An interested official in the EPB, the introducer of the bill, explains the purport of the amendment in these words: "If private organizations haphazardly test articles and announce the results, it could cause a mortal blow to enterprises concerned."

On the other hand, consumer organizations demand a complete liberalization of publicizing test results on goods. They argue that no one can infringe upon consumers' rights to know under the pretext that testing goods requires expertise.

The second issue is the question of who has the power of arbitration in cases of product damage to consumers.

The bill of amendment gives KCPA an exclusive power to arbitrate in disputes over product damage to consumers. According to this provision, when a private organization uncovers injuries to consumers, the case will be referred to KCPA for settlement. Argues the EPB: "if private organizations were to be given the power of arbitration, an effective arbitration would hardly be expected and there could be innocent victims through an abuse of the power of arbitration."

Consumer organizations refute this argument as an "attempt to bring us under the KCPA," and demand that they also be given the power of arbitration. Otherwise, they argue, collusion between government and business would render it impossible to insure complete compensation for damage done to consumers.

The third issue is the controversy among government, consumers, and business over the scope of control over advertisements.

Under the current law, controls over advertisements for goods and services are confined to "instances where there is the danger of injuries to consumers." But the draft revision specifically provides that "no advertisement shall go beyond what is permitted or approved as far as the use, ingredients, and the place of origin are concerned, and that all matters that consumers need to know shall be advertised."

This provision is hailed by consumer organizations, but opposed by business organizations. When the draft bill was introduced, the Federation of Korean Industries and the Chamber of Commerce and Industry voiced their opposition saying, "this is a measure which not only greatly impedes the business' autonomy in marketing but also restricts the consumer's right to know."

With the conflicting views over the draft revision growing acuter among interest groups, the political world is at a loss as to how to deal with the bill. The government and opposition parties have held ad hoc subcommittee meetings since the bill was introduced, but each side has stuck to its passive position contending, "We cannot accept only the opinion of one side." In this connection, Han Sok-chong, expert member of the DLP Policy Affairs Office, offers this advice: "The bill will be deliberated in the current regular session of the National Assembly. But it is unclear whether the bill will be passed because the pattern of the conflict of opinions over the bill remains basically unchanged... The best way to pass the bill is for the government to drastically revamp the current draft bill by reflecting the opinions of all parties concerned and introduce a modified bill."

However, the EPB is said ready to retouch the current draft bill as soon as the Committee on Administrative Reform comes up with measures for the protection of consumers, but its basic stance is that the framework of the current draft bill should remain unchanged. Therefore it is questionable whether there will be a smooth compromise between the administration and the government party. On the other hand, consumer organizations maintain that inasmuch as the current draft bill only strengthens the stature of the KCPA, it would be more reasonable to enact a separate consumer protection agency law besides the current CPL.

It is of interest how the government and opposition parties will reflect and adjust the opinions of all circles on the CPL during the current regular session of the National Assembly.

* Causes for Failing Satellite City Plan Revealed

*952C0008B Seoul SISA JOURNAL in Korean
15 Sep 94 pp 22-24*

[By reporter Pak Song-chun: "Satellite City Population 'Flowing Back' to Seoul—U-Turn Residents on the Rapid Increase Because of 'Transportation, Other Inconveniences in Daily Life ... the 'Population Dispersion' Plan Failing"]

[FBIS Translated Text] Case: Pundang District of Songnam City, Kyonggi Province, 25 km southeast of Seoul's Kangnam District. It has only been about three years since the move-in began to housing developments there but its population recently surpassed 200,000, a record worthy of its synonym—the largest new satellite city of the metropolitan area.

Case: Ilsan No. 2, new satellite city in the northern tip of the metropolitan area. Even construction sites of this city were once labeled "Spot of Accident From Scamped Work" following the collapse of the Sinhaengju Bridge being built on the main access road. Although its present population, 65,000, is far below the planned level of 300,000, Ilsan has become "city-like" with its streets more or less bustling with life.

Pundang and Ilsan are not the only such cases. According to Home Affairs Ministry data presented to the National Assembly, the total population having moved into the five new satellite cities—the other three being Pyongchon, Sanbon and Chungdong—as of March this year was 570,000. This shows that nearly half the goal has been achieved over a two-year period since the start of the satellite city plan. Thus, the largest city construction plan ever undertaken in ROK history came to completion three years after its start, with reasonably successful results. Especially, the housing prices that were skyrocketing daily before the construction began, have been brought under control and controversies over the plight of low-income people having no alternatives but to live in rented rooms, which once escalated to a social issue, have calmed down remarkably. After turns and twists through controversies over "scamped work" and "price fluctuations of building materials," the plan is about to get the stamp of success.

However, a closer, more detailed inquiry shows that it is premature to call it a success. As of the end of March, some 82,000 or 16% of the new residents have moved out of the satellite cities. For all the hard work they had expended to move in, they only lived there for less than two years. That is not all. According to a National Land Development Research Institute [NLDRI] survey of 1,480 families currently living in those cities, 51.5% or more than half the new residents are planning to move out in the next one-three years, and 26.4% in the next three-five years.

A more serious problem is that most of them plan to move back to Seoul. More than 80% of residents who moved out are already back in Seoul or other cities of the metropolitan area. Signs of a "U-turn phenomenon" are getting increasingly visible.

"The apartment manager demands an unreasonably high fee. Dealers overcharge for such small things as aluminum sash work. It is not just one or two things that are not fair around here," said Mr "S", a salaried worker, of the predicament he experienced after moving to Pyongchon from Seoul two years ago. The sense of accomplishment that he had finally became a homeowner helped him endure such unfairness for the first several months. These days, however, he wakes up every morning to be depressed just thinking "when can I ever be freed from the horrible traffic hell," he says.

It usually takes Mr "S" one hour and 30 minutes to drive to his workplace on Kwanghwa Gate Street, Seoul, via Namtaeryong. It is a distance that should take no longer than 30 to 40 minutes, but the unavoidable rush hour traffic jam makes it three times as long. He cannot use the railway either. Although the Kwachon Rail Line was put into service recently, there is no station near his home and there is no bus service available to the nearest station. So, he habitually thinks aloud every morning: "Should I leave home at the crack of dawn to avoid the rush hour? Or should I wait for the rush hour to be over, risking the consequences of being late for work?" Mr "S", who drives to his job, would of course choose a "less stressful drive" sometimes by leaving home late.

Mr "S" is not alone with this sort of anguish. In March this year, the Korea Land Development Corp. [KLDC] conducted a survey of the more than 3,000 families residing in the five satellite cities to see the level of their satisfaction. The result showed 82.2% of the residents as basically satisfied with the new environment. However, to the question "if you ever plan to move out of the new satellite city, what will be the reason?" 26,2% answered "traffic problems." By contrast, only 12.8% cited "environment" and 9.0% "change in disposable income." While the Kwachon and Pundang rail lines, put in service in succession recently, are expected to help improve the situation considerably, the traffic problem will still remain the No. 1 factor prompting residents to return to Seoul.

The same survey also showed children's education as the No. 2 factor (21.5%) responsible for residents' leaving the satellite cities. Primary, middle, and high schools are being built one after another in all the new cities; however, as their children move up in the grades, parents show less trust for local schools. A closer look into conditions inside the new satellite cities will show that the agony of residents is more serious than what numbers indicate. Pak Pyong-taek, a certified broker and Ilsan resident, said: "You may say that, roughly, for every resident moving in, one moves out. Those moving out are that many and their biggest reasons are those related to everyday life. But just as many people are leaving Ilsan because of the education problem of their children."

While residents cite the traffic and school problems and inadequate medical facilities as reasons for their moving out, some experts dispute them and say the true reason lies elsewhere. The true reason, they say, is that the new satellite cities, built to induce a dispersion of population from Seoul, failed to provide enough jobs for people to settle in. According to the NLDRI survey, only 16.3% have their jobs in their city against 66% who have their workplaces in Seoul.

Nevertheless, a few new satellite cities have either scaled down or even cancelled their original plans for job-providing facilities. A typical example is Ilsan's plan for a publishing industry complex that ended up in smoke.

In Ilsan's case, the Ministry of National Construction had billed it as "a garden city complete with art and cultural facilities." To that end, the ministry at the time had a plan to build in the city not only a farm and marine products distribution center and a general exhibition hall, but also a publishing industry complex and a housing complex for diplomatic missions. Two years have passed since the land construction for the last two projects was completed, but there are no signs of any buildings going up there. The price tag the KLDC put on the land is so high that no one shows interests. Officials still insist that the two projects are still alive, no Ilsan residents would believe them. According to Choe Chan-yong, who has been operating a veterinary clinic in Ilsan for more than two decades, "negotiations concerning a publishing industry complex broke down and the potential clients are no longer interested in Ilsan. As for the housing complex project for diplomatic missions, I understand that the prospects are dim because the Ministry of Foreign Affairs is reluctant to go along with it."

Pundang, touted as "a city of self-sufficiency for middle-class people," was no exception to failed plans. The land reserved for a shopping center in Paekhyondong, Pundang's largest business section, is still waiting for businesses to move in. Kim Kwang-su, a director of the KLDC Pundang division, said: "I am confident that in terms of public facilities and green-belt ratio, Pundang is superior to other major cities. The problem is the Paekhyondong shopping center project. Since the piece of land is so large that even big businesses are showing no positive interests and, as a result, it is yet to be sold."

Experts emphasize that "the phenomenon of residents U-turning to Seoul was already anticipated at the time of planning." While drumming up "garden city" or "city of self-sufficiency" commercials to bring in people, both government authorities who led the planning and private contractors who participated in the plan were preoccupied with racking their brains over building and selling houses; with regard to potential postconstruction problems, they merely showed their ideas but took no countermeasures. Kwon Tae-chun, city planning professor of the Seoul National University graduate school of environmental science, insists that "a new satellite city, after all, cannot become a new city as advertised. It can exist only as a bedroom town. To prove it, in every such city, you can find only forests of massive apartment buildings but no structures for production purposes."

According to a recent NLDRI survey of housing market trends, the deposit-basis rent in Seoul and areas south of Seoul continues on the rise. The NLDRI attributes the soaring rent to the lack of new supply despite the increasing demand for houses for rent; as a countermeasure, it emphasizes the need for reopening the satellite city program. The time has come for serious consideration to be paid to the fact that satellite cities void of foundations for self-sufficiency can generate a boomerang effect and aggravate Seoul's overpopulation problems. For residents commuting to their jobs in Seoul, satellite cities are just bedroom towns. They are now quitting them even as such and making a U-turn back to Seoul.

* Popular Fertilizer Using "Earth Germs" Noted

952C0008A Seoul HANGUK ILBO in Korean
13 Sep 94 p 11

[By reporter Pak Yong-ki: "'Natural Farming Method' Using 'Earth Germs' for Fertilizer Spreads Across the Country"]

[FBIS Translated Text] A natural method is spreading to farms across the country as a new way of doing farming. It uses virtually no chemical fertilizer nor insecticides; instead, it uses "earth germs" ubiquitous in leaf mold throughout the country for fertilizer. A study shows that the Natural Farming Method improves soil fertility and increases harvest by approximately 10%.

Once their offensive odor is removed by dissolving the animal excrementitious matter, the earth germs can be reused as feed and, therefore, are becoming increasingly popular among hog raisers and poultry men, too.

More than 3,500 farmers [illegible] 170 villages have already adopted this method with the assistance of agricultural or livestock cooperatives or young dedicated farmers in the areas. Meanwhile, the government is considering endorsing it as a measure to help small farmers—hard hit by the Uruguay Round agreements—improve their competitiveness. In particular, officials of Kangwon Province recently reported to the president that they will positively disseminate this method to their farmers.

From Japan, trainee groups come every year to learn about the method, over 10 times a year and more than 30 trainees each time. There is a Gathering to Learn About Korea's Natural Farming Method established in Tokyo, showing how popular the method is. Also, a research team on agriculture in developing countries, established jointly by the International Bank for Reconstruction and Development (IBRD) and Florida State University, in June found the method suitable to farming in developing countries. It plans to send about 10 experts to Korea every year between May and July for a full-scale research on it.

The Natural Farming Method was developed and disseminated by Cho Han-kyu, 60, president of the Korea Natural Farming Association. Cho, a native of Suwon, entered Suwon Agricultural High School as late as age 26 with an ambition to devote his life to local agricultural development. He had since conducted research on a new farming method suitable to conditions in our country and frequently visited Japan for that purpose. Cho turned his attention to the fact that various micro-organisms in the ground contribute to soil fertility, dissolving leaves and making them work as fertilizer. After repeated experiments, he developed the Natural Farming Method and began disseminating it. The method was sometimes criticized in its initial phase of dissemination, as some farmers asserted that they "tried the Natural Farming Method but the result was a decline in their harvest." Gradually, however, the method has gained popularity in the past 10 years or so. The training course on the method thus far has been held more than 180 times for a total of some 3,500 trainees.

The method is very simple. Micro-organisms used can be found easily in leaf mold in areas thickly wooded with bamboo or broadleaf trees. They can be cultured in large quantities by putting cooked rice and raw sugar in the leaf mold; they become liquefied in a week or so. Dilute the liquid and mix it with rice bran, and you get the natural fertilizer.

"In our survey, farmers using the Natural Farming Method have reported an increase of more than 10% in their harvest," Cho said.

This method virtually uses no chemical fertilizer. Products are superior in quality and popular with the consumer. They are chiefly shipped to department stores in Seoul. With their popularity mounting since last year,some 1,000 families in the Kangnam district, Seoul, have joined in a home-delivery system for them.

The method is labor intensive and therefore is not suited to large-scale farming. Also, under this method, there is no gain for the first three years or so, while the reconditioning of soil goes on. These are its weak points. But experts agree that it is the most ideal method for small-scale farmers in this country who are hard hit by the Uruguay Round agreements.

Cambodia

Ranariddh on Sihanouk's Health, Khmer Rouge

BK1511135094 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 15 Nov 94

[Speech by First Prime Minister Prince Norodom Ranariddh in Bavel District of Battambang Province on 13 November—recorded]

[FBIS Translated Excerpt] I would like to pay my high reverence to all the Buddhist monks who are here, and I would also like to salute their excellencies and madams, the provincial governor, the deputy governors, grandfathers, grandmothers, uncles, aunts, and all the students who are taking part in this gathering.

Today I am both happy and sad. I am happy because I have the opportunity to meet again with all of you, but I feel sad because I have to come here, on behalf of the Royal Government led by myself and Prime Minister Samdech Hun Sen, to meet with and distribute a small quantity of aid to families of the victims of the Khmer Rouge group's cruel and barbarous crimes. I have nothing more to say about that, but I strongly condemn the clique and I wish to reaffirm that the biggest task of the Royal Government at present and in the future is to ensure the maximum safety of innocent people.

Availing myself of this opportunity, I would like to inform you about the health of his majesty the king. I personally met with him on 31 October when he celebrated his 73d birthday. His majesty's cancer has been cured 100 percent, as we have wished for. This is good news that I want to share with you. Although his majesty is living far away, his thoughts are always with all of you and at all times he strives to achieve national reconciliation.

As you are already aware, before the elections the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, the Cambodian People's Party, and the Buddhist Liberal Democratic Party used to bicker with each other. Since we heeded the most correct advice of the king, we have been able to come together within the framework of the Royal Government and National Assembly. This is the only way to solve the most bitter problems of our Kingdom of Cambodia. Cambodia's suffering and its future depend on national reconciliation; we should strive to achieve this in line with his majesty's clear-sighted initiative.

Nonetheless, it is most unfortunate that the Khmer Rouge has refused to listen to the advice of his majesty, who wants national reconciliation, a cease-fire, and an end to slander.

As you already know, our Kingdom's neighbors—Thailand and Vietnam, for example—have developed and prospered spectacularly. With the holding of elections after 23-24 years of war, I had hoped that we would be able to live in peace without any further fear. The Khmer Rouge, however, continues to nurture its ambitions and persecute innocent compatriots. As the deputy governor said earlier, the Khmer Rouge hates the Vietnamese but it kills innocent Cambodian compatriots, chases investors away to go invest in Vietnam, scares tourists away to go visit Vietnam, inflicts impoverishment upon Cambodia, tries to kill Cambodians, makes Vietnam rich, and so on. Is this an aversion to the Vietnamese? In fact, we should not hate anyone. We need the friendly neighboring countries to help us rebuild our nation. What we deeply yearn for is the national reunification and national reconciliation that his majesty has advised us to achieve. Since the major political parties have followed the advice of his majesty, I would like to appeal again to the Khmer Rouge elements—not Pol Pot and Ieng Sary, of course—who have been misled by the Khmer Rouge into staying with them to return and join the national community and live under the cool shade provided by his majesty. Please come back! Please come back! The Royal Government and I pledge to guarantee your safety 100 percent.

As you are already aware, the Royal Government has done nothing but strive to make our nation prosperous. I am very touched to see all the students coming to greet me. The Royal Government always cares about your future. Its constant major concern is to ponder ways to find jobs for you when you leave school. The government is also concerned about the welfare of all needy peasants who have suffered from floods and droughts. This is a very serious issue. Therefore, the Khmer Rouge should have returned and joined hands to promote national development and tackle all national problems. Instead, it continues to put its legs into the water with the aim of causing the death of innocent Cambodian people.

I would like to inform the clergy and compatriots that I, the Royal Government, and Samdech Hun Sen have concentrated our most earnest attention on the national development issue. The National Assembly has approved an extremely generous investment law. Why? It is not to sell out the nation but to attract investment. Now there are a lot of investors coming to our country. Some people have said that Ranariddh tells lies everywhere and that nobody has come to invest in Cambodia. This is not true. Since the law was passed, there have been all kinds of investments pouring into Cambodia, including in the industrial, agricultural, and agro-industrial sectors. The value of those investments amounts to over $500 million. This is the truth and it can be proved by the national television, which has attended various signing ceremonies. What does this investment mean? It means that when you students leave school, you will have jobs to go to. This is what all of us are trying to achieve. Besides, we have also asked international organizations and private companies to set up vocational training schools in Battambang, Kompong Cham, and other provinces as well as Phnom Penh.

Why? It is to provide you with jobs immediately when you get out of school. This is what I want to inform all of you today. [passage omitted]

Ranariddh Seeks Closer Ties With NGO's

BK1611091594 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 15 Nov 94

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC], visited the Training and Research Institute for Development of Cambodia on 14 November. At a meeting with representatives of several nongovernmental organizations [NGO's] during the visit, the prince said ties between the RGC and NGO's should be further reinforced.

The prince prime minister added that a lot of the work of the RGC has been done by the NGO's, saying that they have reported the results of their projects, funded through the RGC and by the organizations themselves, to the national and international communities. This shows that the NGO's have helped sustain the livelihood of the needy and have been in direct contact with people across Cambodia.

The prince thanked the NGO's for allowing highly educated overseas Cambodians working with them to bring their experience to good use in the country. He recalled that during a recent visit to the Svay Chek region in Banteay Meanchey Province, he saw NGO's giving wholehearted assistance to needy Cambodians.

The prince prime minister denied the charge that the RGC does not need NGO's, saying the government will strive to make the indispensable ties with the NGO's closer.

Minister on Khmer Rouge, Regional Relations

BK1511031594 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 14 Nov 94

[FBIS Translated Text] His Excellency Ing Huot, minister of foreign affairs and international cooperation, has said: The concept of taking up arms to oppose one's own people is a personal decision, but this constitutes an action that undermines the dynamic of our society. I support every effort made so far to bring the Khmer Rouge back to the meeting table. The Royal Government, however, is duty-bound to protect the people and its resources and oppose the dangerous ambitions of Pol Pot. We cannot allow a tiny group of men to control the remainder of about 99 percent of the territory and population, no matter what. This is a great source of anxiety, therefore, and I firmly believe that we have to establish an army capable of holding in check the rebel insurrection while we redevelop our country.

The foreign minister added that he hoped and wished that neighboring countries would support the Royal Government's drive and assist it when necessary, saying Cambodia is extremely delighted with the Thai Government's guarantee that it has already ended its cooperation with the Khmer Rouge. We can see that confidence between Cambodia and Thailand is soaring and is growing larger and larger. This constitutes a substantial advantages for our nation, which has close relations with the ASEAN countries. There are also other security issues that need discussion as well. They include problems concerning immigration, border disputes, illegal fishing, the border, narcotics, and customs. He added that the resources available for discussions on these complicated problems are limited and that the Royal Government cannot afford to make any mistakes on these issues. For this reason, the issues should be solved gradually and in keeping with circumstances.

The foreign minister said we need to appeal to foreign affairs experts to help examine those issues, and we hope that our neighbors will not have misunderstand the move. The Royal Government is fully aware that genuine peace can never be recovered if redevelopment and prosperity cannot be achieved. Facing security problem in the country, the government needs to learn from the countries in the region and the world.

He said industrial rehabilitation is a great task and that time is needed for unstable industries to go through the restoration process. If security is guaranteed and development is achieved, the Cambodian people's living standard will be improved and other obstacles will also be eliminated, thus allowing Cambodia to catch up with other countries in Southeast Asia and allowing the whole region to benefit from a prosperous Cambodia. So it is hoped that this ideal view will promote discussions among various countries, thereby enabling them to make their own decision.

Khmer Rouge Weekly 'Cabinet' Meeting Noted

BK1511055194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 Nov 94

["Press communique" of the secretariat of the "Provisional Government of National Union and National Salvation" cabinet dated 14 November; place not given—read by announcer]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 14 November, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

After hearing the reports presented by each ministry and discussing them in detail, in all aspects, and with a high sense of responsibility, the cabinet summed up the situation of our national salvation struggle and informed our nation and people of the following measures that it had taken as a common political goal:

I. Developments that have emerged lately include the sacking of Sam Rangsi, the resignation of Prince Sirivut, the brazen assassination of a journalist, the drafting of a fascist law to silence and lock up journalists, and the dispatch of an increasing number of paras [non-communist freedom fighters] to die for them on the battlefields. All these more clearly show that the communist Vietnamese and their puppets are 100 percent dictatorial and monopilistic over all sectors and fields from top to bottom. The FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party grafted onto communist Vietnam by the Western alliance has been entirely neutralized both politically and organizationally. A couple of its officials who are bootlicking in the two-headed government do not represent FUNCINPEC at all, either politically or organizationally. Everything is now being managed entirely by communist Vietnam. The demon-like, ugly black-toothed features of the communist Vietnamese that have been covered up for some time are now laid totally bare before the whole Cambodian nation and people who have opposed and rejected them for more than 15 years. As always, not a single Cambodian wants to live with the communist Vietnamese and their puppets. Everybody opposes and fights them relentlessly and resolutely.

Countries and people in the region and the world who uphold justice, love peace, and support the struggle of our Cambodian nation and people also see that the true features of the two-headed government are those of the communist Vietnamese and their puppets, the features of the aggressors who have been undermining peace and stability in Cambodia and the region over the past 15 years.

II. This situation has become more favorable to the national salvation struggle of our nation and people. It is the result of the arduous and tenacious struggle of our entire Cambodian nation and people in all sectors and fields, both at home and abroad, along a correct struggle line. The enemy has woven together a two-headed government and attempted to use FUNCINPEC as a screen to conceal the forces of the communist Vietnamese and their puppets for use as a tool of war to continue killing our Cambodian people and exterminating our Cambodian race. At present, their criminal policy and strategy have been basically defeated.

III. However, although they are losing ignominiously in all sectors, these warmongers have never nurtured any thought of ending the war or bringing about peace and national reconciliation. They continue to kindle the war with no regard for human rights, humanitarian reasons, or self-determination right of the Cambodian people. They respect no international laws. They keep igniting the war again and again, causing endless devastation and misery to our Cambodian nation and people. In the countryside, they launch one raid after another to massacre the people. In Phnom Penh, they implement the policy of Vietnamization and dictatorialization, controlling or wiping out anyone who stands in their way. At the same time, communist Vietnam keeps sending ethnic Vietnamese to Cambodia like ants in order to swallow this country through a demographic war.

Cambodia is being torched by both the military war of the communist Vietnamese and the alliance of the United States, France, and Australia and the demographic war of the four million ethnic Vietnamese.

IV. After the Paris Accord was signed, communist Vietnam and the villainous Western alliance set about viciously trampling and completely scuttling its terms. Now they are rekindling the war of the communist Vietnamese aggressors, most intensely inflaming it one more time.

In the face of this arch-criminal policy and strategy of continuing to ignite the war of genocide against the Cambodian nation and people, our entire Cambodian nation and people, including the fraternal peasants in the countryside, the brothers in Phnom Penh, and those living overseas, have risen in a courageous and persistent struggle. Our entire Cambodian nation and people resolutely oppose the communist Vietnamese who are committing genocide against Cambodia; resolutely oppose the four million ethnic Vietnamese who are chomping and swallowing Cambodia; resolutely oppose the United States, France, and Australia that are butting in and helping communist Vietnam to continue igniting the war and undermining peace and national reconciliation; and resolutely oppose the traitorous two-headed government which is gradually turning itself into a one-headed and three-eyed out-and-out puppet of communist Vietnam.

To save our Cambodian nation and race, it is imperative for us to continue making efforts, unite, and carry on the struggle in all forms and everywhere on the basis of the guerrilla and people's war to save our Cambodian race from extinction. In this endeavor, most importantly, we must continue to unite in waging the people's war to smash and sweep away all political structures of the communist Vietnamese and their puppets, including the civilian administrations, espionage rinks, spy networks, and psychological publicity or pacification operations of all types.

The struggle of our Cambodian nation and people and the PGNUNS in the past, at present, and in the future is not to cut each other's throat and win power. This struggle is to achieve national reconciliation, national concord, and peace which are essential elements for the survival of our Cambodian nation and race and it is to form a clean national government made up of national forces from all political affiliations that truly cares for the interests of the nation and people and saves and perpetuates our Cambodian nation and race. Only in this way can we build and make our country advance and become prosperous.

Monday, 14 November 1994
Secretariat of the Cabinet of the PGNUNS

Indonesia

Forces Chief Blames Dili Unrest on 'Instigations'

BK1611090094 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 16 Nov 94

[FBIS Translated Text] The recent ethnic discord in Dili, East Timor, was the result of instigations by persons opposed to East Timor's integration as Indonesian territory. This was stated by General Feisal Tanjung, Indonesian Armed Forces chief, to reporters after the welcoming ceremony for U.S. President Bill Clinton, who paid a visit to President Suharto at Merdeka Palace, Jakarta this morning.

According to General Feisal, the quarrel among the ethnic groups broke out because of ethnic sentiments and also because they were easily instigated by unscrupulous persons. As such, the East Timor provincial government and the security apparatus will make greater efforts to develop the East Timor community so a similar incident does not occur.

The Armed Forces chief admitted that 27 persons who were involved in the incident are currently being detained by the provincial security apparatus for further investigation. Those found guilty will be dealt with accordingly and will be charged with criminal offenses.

Fretilin Leader Appeals to Suharto for Referendum

LD1511113194 Lisbon RDP Antena 1 Radio Network in Portuguese 0900 GMT 15 Nov 94

[FBIS Translated Text] Konis Santana, the Timor resistance leader who heads the Revolutionary Front for an Independent East Timor [Fretilin] guerrilla group in the mountains of East Timor, has appealed to President Suharto to keep the promises he has made to the international community of holding a referendum in East Timor.

[Begin Santana recording] I call on the president of Indonesia to take on a clearer and firmer stance of seeking dialogue as the only viable means of putting an end to the conflicts, giving the Timorese people the opportunity to freely choose their future through a referendum.

In conclusion, we take the opportunity to call on all Timorese not to undervalue and insult the sacrifices made by the Maubere youth on 12 November [1991, Santa Cruz cemetery massacre] in the way that the promoters of reconciliation have done. We hope that the example of the Maubere youth in Santa Cruz [word indistinct] dedication, complete commitment, and sacrifice of their lives will serve as political motivation for us to be watchful of the occupier's maneuvers, and close our ranks against its infiltration by strengthening our unity. [end recording]

[Announcer] That was Konis Santana, the resistance leader in East Timor, sending a message via RDP international's short wave.

Finance Minister: Foreign Debt at $93 Billion

BK1511091194 Jakarta THE INDONESIA TIMES in English 9 Nov 94 p 3

[FBIS Transcribed Text] Indonesia's foreign debt now totals U.S. $93 billion composed of 60 percent government and 40 percent private borrowing. Minister of Finance Mar'ie Muhammad said at the Working Meeting with the Parliamentary Commission for State Revenues and Expenditure (APBN) in Jakarta on Tuesday.

The government debt can easily be controlled, but the private debt to be difficult, said Mar'ie answering a question from an MP.

The Ministry of Finance stated that PT. [Company Limited] Sritex, a textile and garment corporation owe sums which, it is said, amount to Rp. [rupiah] 1 trillion. The Director General of Financial Institutions, Dr. Bambang Subianto, said that he had been asked by Minister Mar'ie Muhammad to explain the problem to members of parliament.

This case stole the limelight in various local newspapers. But the corporation's board of directors recently issued a denials of the allegations. In spite of this, members of parliament continue to ask questions.

Bambang Subianto at first refused to discuss the matter saying that it was not relevant to the purpose of the meeting. However, MPs insisted on pressing the point, as they said that public money is involved.

Commenting on the Continental Bank, which is said to have liquidity problems, Bambang Subianto said that the Ministry of Finance did not know how much Bank Indonesia had provided the Continental Bank through their programme of Bank Indonesia Credit Liquidity (KLBI).

Dr. Sri Bintang, was the MP who raised the matter of Sritex' debts prior to the meeting. He suggested that the board of directors meeting with parliament to discuss the problem in order that members may know the actual situation.

Concerning fictional exports, Mar'ie Muhammad adheres strictly to what he has said previously. As a sensitive problem involving taxation he has asked three Director Generals investigate irregular business practices. He said that the Finance Ministry found it difficult to resolve the problem quickly because of technical problems.

The Attorney General will also be involved, together with concerned institutions, to settle the problem, Mar'ie said.

The total bad debt of national banks was also disclosed by the Minister. On December 1993 the total bad debt was 14.2 percent, March 1994 was 14.2 percent and April 1994 was 17.6 percent while in August, the state-owned bank bad debt was 19.7 percent.

Daily 'Concerned' Over U.S. Election 'Earthquake'

BK1511041594 Jakarta KOMPAS in Indonesian 12 Nov 94 p 4

[Editorial: "A Political Earthquake in the United States Corners Clinton"]

[FBIS Translated Text] A "political earthquake" is a good term to refer to the final results of the mid-term elections in the United States, as published in the international mass media. The United States has now entered a new political era following the major victory of the Republican Party over the Democratic Party, which will alter the potential map in the House of Representatives and the Senate.

This is the first time since 1954 that the Republicans have grabbed a majority in the lower house. It is also the first time in eight years that the Republicans have regained a majority in the Senate. Also, 31 out of 36 newly elected governors are republicans.

We know a number of familiar names in this mid-term election. George Bush, Jr., a son of ex-president George Bush, was elected governor of Texas. Another Bush, however, Jeb, failed in his Florida governorship run. In the Congress, consisting of the House and Senate, Speaker Thomas Foley (Democrat) lost his seat as a Washington State representative in the House, a phenomenon which last occurred in 1860. Oliver North (Republican), a controversial figure involved in the Iran-Contra scandal during President Reagan's administration, lost in his Senate race in Virginia. Edward Kennedy (Democrat) retained his Senate seat representing the State of Massachusetts and simultaneously the family tradition of statesmanship.

It is not an exaggeration for Senate minority leader Republican Senator Robert Dole to claim that the Republicans have now received a new mandate to lead the American people. In two years of the Clinton administration, a majority of the people have become dissatisfied with the changes that Mr. Clinton promised in his presidential campaign.

Criticism has been mounted against Clinton over a number of problems, ranging from the staff's sluggish anticipation of international economic and political changes to the White House's internal conflicts that resulted in the replacement of top level officials. The near economic recession inherited from the Reagan and Bush administrations has not been well managed by Clinton.

Even Hillary Clinton's health care program, which will obviously benefit the common people and terminate mistreatment by drug industries, has been stuck in Congress.

The Democrats hail freedom in all aspects of social life, something that leaves the impression of disregarding moral values and old traditions. This liberalism promoted by the Democrats seems to be characteristic of national policies issued by the White House. In this regard, Clinton stunned the military by allowing homosexuals to serve openly, considered affluent industrialists the number one enemy, and promoted a number of top liberal officials who turned out to have bad legal records, just to mention a few.

The Clinton administration also repeated several old Democratic mistakes such as imposing new taxes; engaging in large fund spending; enlarging the staff of his big government, which has become less effective and more bureaucratic; as well as increasing government intervention in the private sector.

In this situation it is only natural that Republican conservatism turned out to be a better alternative. The people's decision to run to the Republicans or independent parties reminds us of the conservative Reagan government. A number of analysts have claimed the return of Reaganism.

The American people have more confidence in anti-liberalism because Republican dogmas seem to be more effective in curing a number of social diseases such as unemployment and high crime rates resulting from economic pressures. It seems that the social pressure on the government to move to the "right" started in the United States through the Republicans campaign on "family and moral values."

Now the Republicans have grabbed 230 seats in the House against 204 for the Democrats (before the mid-term election, the ratio was 178-206). In the Senate, the ratio has changed to 53-47 (it used to be 44-56). The essence of the victory is that the Republicans are freer to pursue their political agenda through the legislature. They will dominate the process of making laws proposed either by the Republicans themselves or by the executive branch. Pursuant to the Constitution, Clinton can veto Republican moves, but the veto can again be overridden by the Republicans in both chambers of the Congress.

The provisional conclusion of the "political earthquake" is that Clinton will face major problems in his presidential election campaign in 1996. One of Clinton's political strategies, some analysts say, is to exploit the added value of his successes in foreign policy. Rumor has it that Warren Christopher will be replaced by Claiborne Pell, currently chairman of the Senate Committee on Foreign Relations, a position to be filled by Jesse Helms.

There will be added nuances in Clinton's foreign policy until 1996. This will force us to remain alert about what Clinton is planning to do in the global situation. We are specifically concerned over what Clinton has experienced at home because the United States is a prominent actor in the stable, peaceful, and prosperous Asia-Pacific region.

Envoy on Need To Lift Bosnia Arms Embargo

BK1111091094 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 11 Nov 94

[FBIS Translated Text] Indonesia has reiterated the necessity of lifting the arms embargo on Bosnia-Herzegovina because that country must defend itself against aggression committed by the Serbs, who have been unwilling to seek a just and durable solution to the conflict.

Speaking on the situation in Bosnia-Herzegovina at the UN Security Council, Nugroho Wisnumurti, Indonesian ambassador to the United Nations, said Indonesia and the majority of other United Nations members have for two years demanded lifting the embargo which has been unjustly imposed on Bosnia-Herzegovina.

The consistent stance of supporting the struggle of Bosnia-Herzegovina was also reflected in the willingness of Indonesia along with 33 other countries, including the United States, to cosponsor a resolution on Bosnia-Herzegovina. The resolution was endorsed by the UN General Assembly.

Agreements Signed With Malaysian Companies

BK1611122094 Kuala Lumpur Voice of Malaysia in English 0800 GMT 16 Nov 94

[FBIS Transcribed Text] Datuk Sri Dr. Mahathir Mohamed says the economic strength of developing countries must be enhanced to enable them to compete with multinationals in the open market. The prime minister said developing countries were in a position to attain further progress and introduce greater interdependent global economy; they have to open their markets. [sentence as heard] Citing the close cooperation between Malaysia and Indonesia as an example, he said the commitment had provided an avenue to achieve greater economic strength for the two countries and the people.

Dr. Mahathir was speaking after witnessing several agreement signing ceremonies between Malaysian and Indonesian companies in Jakarta. He was happy to note that the interest for closer cooperation among the business community of both countries in recent years. [sentence as heard]

Laos

DPRK Military Group Arrives for 5-Day Visit

BK1511041394 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 14 Nov 94

[FBIS Translated Text] The high-level military delegation of the DPRK Ministry of the Korean People's Armed Forces headed by Comrade Vice Marshal Choe Kwang, member of the Political Bureau of the Workers' Party of Korea [WPK] Central Committee, chief of the General Staff, acting minister of the Korean People's Armed Forces of the DPRK, arrived in Vientiane this morning for a five-day official visit to the Lao People's Democratic Republic [LPDR]. The visit is made at the invitation of Comrade Lieutenant General Choummali Sai-gnason, member of the Political Bureau of the Lao People's Revolutionary Party Central Committee and LPDR minister of national defense.

A grand ceremony was held at the National Defense Ministry in Vientiane to welcome the high-level military delegation of the Korean People's Armed Forces. Attending were Comrade Lt. Gen. Choummali Sai-gnason and a number of high-ranking military officers together with Comrade Chang Yong-chun, DPRK ambassador to Laos. After the welcoming ceremony, Comrade Vice Marshal Choe Kwang led his party to lay a wreath at the Monument of Unknown Soldiers. In the same afternoon, the high-level military delegation of the DPRK Ministry of the Korean People's Armed Forces held talks with the delegation of the LPDR Ministry of National Defense. During the talks, the two sides imformed each other of the national defense situation and public security maintenance work in their respective countries. The Lao side welcomed and voiced support for the DPRK's intention to bring peace, stability, and security to the Korean peninsula.

During the visit to Laos, Comrade Vice Marshal Choe Kwang and his party will pay courtesy calls on many top Lao leaders and visit some military installations and cultural and economic establishments in Vientiane Municipality and other provinces.

Officials Meet PRC Provincial Delegation

BK1511050694 Vientiane KPL in English 0912 GMT 14 Nov 94

[FBIS Transcribed Text] Vientiane, November 12 (KPL)—The visiting high-level delegation of China's Yunnan Province led by Liu Shou-shen, chairman of political councillor [as received] of Yunnan, yesterday paid courtesy visits to Lao senior officials.

Among the Lao officials were Mr. Boun-gnang Volachit, member of the Political Bureau of the Lao People's Revolutionary Party Central Committee (LPRP CC); Mr. Maisouk Saisompheng, LPRP CC Politburo member and president of the Lao Front for National Construction (LFNC); Mr. Osakan Thammatheva, LPRP CC Politburo member and minister of information and culture; and Mr. Oudom Khatthi-gna, LPRP CC Politburo member, in charge of mass organisations and chief of the central-level Rural Development Board.

During the meetings, the hosts and guests discussed various issues pertaining to the growing ties of friendship and cooperation between Laos and China.

Satisfied with the multi-sided ties of friendship, they stated to further widen the relations and cooperation between the two nations.

The Chinese delegation also visited the Lao Brewery Company, the Friendship Bridge, and other cultural sites of interest in Vientiane Prefecture.

This morning, the Chinese delegation left for Luang Prabang, some 400 km north of Vientiane. Luang Prabang is a cradle of ancient Laotian civilisation and the former capital of Laos until the 16th century.

Cooperation Pact Signed

BK1511133894 Vientiane KPL in English 0926 GMT 15 Nov 94

[FBIS Transcribed Text] Vientiane, November 15 (KPL)—The Lao Front for National Construction [LFNC] of Vientiane Prefecture and the visiting delegation of the Political Council of Yunnan Province, the People's Republic of China, signed here last night an agreement on cooperation in agriculture-forestry, industry-trade, technique [as received], science, culture and tourism, according to a report of "VIENTIANE MAI" today.

The signatories to the document were Mr. Channong Inthavong, standing member of the party committee and LFNC president of Vientiane Prefecture, and Mr. Liu Shou-shen, chairman of Political Council of Yunnan.

The two sides hope to further exchange lessons and visits of delegations.

The visit of the Chinese delegation to Laos is aimed at exchanging experience in socio-economic development between Yunnan and Vientiane Prefecture.

The Chinese delegation will leave here today, ending its official visit to Laos between November 10-15.

Japanese Agency's Aid Projects Outlined

BK1511131394 Vientiane KPL in English 0923 GMT 15 Nov 94

[FBIS Transcribed Text] Vientiane, November 15 (KPL)—The Japanese International Cooperation Agency (JICA), which this year celebrates its 20th anniversary, has so far sponsored in the Lao PDR [People's Democratic Republic] 102 projects of economic and technical aid worth U.S. $290 million (about 2,100 billion kip).

The aid projects consists of two projects of loans worth U.S. $52 million, six projects of purchasing of instruments worth U.S. $4.2 million, 15 projects of development and four projects of technical cooperation.

JICA also sponsors projects for the upgrading of bridges and roads on National Highway NW-13, the agricultural development project in Savannakhet, the water supply system in Vientiane, the upgrading of Vientiane electrotechnical school, the production of foodstuff project, the primary health system, the mapping of Bolikhamsai Province, the hydro-power dam of Sekong, the drinking water of Champassak and Saravane and the highland development project of Boloven. So far 30 JICA volunteers are working in Phonsavan, Luang Prabang, Savannakhet, and Champassak.

Philippines

Manila, ROK Agree on Atomic Energy Cooperation

SK1011120194 Seoul YONHAP in English 1156 GMT 10 Nov 94

[FBIS Transcribed Text] Manila, Nov. 10 (YONHAP)—South Korea and the Philippines initialed a bilateral atomic energy cooperation agreement here on Thursday [10 November]. The agreement features the exchange of scientists and technicians, joint promotion of research projects and the exchange of information in the area of atomic energy. It was initialed by Science and Technology Minister Kim Si-chung and his Philippine counterpart, minister William G. Padolina. The two ministers decided to have the Korea Atomic Energy Research Institute and the Philippine Nuclear Research Institute sign a technology cooperation agreement for closer cooperation in the area of basic and applied research and development.

Minister Kim was accompanying President Kim Yong-sam to his official visit to Manila.

Extradition Treaty Signed With ROK

BK1611121794 Manila MANILA BULLETIN in English 11 Nov 94 pp 1, 25

[FBIS Transcribed Text] The Senate approved yesterday the Philippine-South Korean extradition treaty during its regular plenary session yesterday as a fitting gift to South Korean President Kim Yong-sam who arrived yesterday for a two-day state visit.

The treaty was approved by a 16-0-0 vote on third and final reading during the session temporarily presided by Sen. Raul S. Roco.

Sen. Blas F. Ople chairman of the Senate foreign relations committee, who sponsored the treaty, said the Senate continues to weave into existence a network of global arbitration treaties and mutual assistance agreements on criminal matters as the Philippine government's contribution to the drive against crime.

"It is a good present for President Kim Yong-sam who is visiting the Philippines," Ople said.

Explaining her affirmative vote, Senate President Pro-Tempore Leticia Ramos-Shahani also former head of the Senate foreign relations committee said the Senate's ratification of the treaty highlights the necessity of establishing a mechanism to make effective the country's retributive justice system.

"Without such extradition treaties, the government is powerless to bring back to the Philippines criminals or persons who have violated the country's laws and allow them to enjoy the fruits of their crimes abroad," Shahani said.

Visiting U.S. President Bill Clinton and President Ramos are also scheduled to sign an RP [Republic of the Philippines]-U.S. extradition treaty on Sunday during a brief stop-over of the U.S. head of state.

A copy of the treaty will be sent to the Senate, the treaty ratifying organ of the government.

"Fugitives from the justice of our courts, like Rolito Go, now routinely cross borders to hide from the retribution of society. Through the extradition treaty with the United States, we will close that channel of escape. The Philippines is also the refuge of choice for criminals wanted in other countries. Koreans connected with Japan's Yakuza (a criminal syndicate) routinely come to the Philippines to hide," Ople said.

So far, the Philippines has ratified extradition treaties with Indonesia, Thailand, Australia, Canada and South Korea, Ople said.

Sea Patrol Agreement Signed With Malaysia

BK1311132094 Manila BUSINESS WORLD in English 8 Nov 94 p 20

[FBIS Transcribed Text] The Philippines and Malaysia have agreed in principle to jointly patrol the sea area at the Southern tip of Mindanao and Northern Malaysia to curb smuggling activities and the entry of illegals into the two countries. An official of the Maritime Industry Authority (Marina) told BUSINESS WORLD the joint patrol agreement will be refined further by the Philippine and Malaysian Governments.

An adjunct to the sea patrol agreement is the plan to facilitate the entry of Filipinos in selected ports in Northern Malaysia through the use of border passes. The use of border passes will no longer require Filipinos to use passports in entering selected ports in Northern Malaysia. However, Malaysians who will visit Southern Mindanao will have to present their passports to Philippine authorities. Experience has shown that more Filipinos enter Malaysia and not vice-versa. Some of the Filipinos are even illegals who end up in the detention centers in Malaysia.

The use of border passes is expected to curb smuggling and lessen the incidence of illegal Filipinos entering Malaysia. Only Filipinos residing at the Southern tip of Mindanao will be allowed to use the border passes. The use of the passes will also be limited to the destined city or municipal port in Northern Malaysia.

Malacanang recently waived for six months the payment of travel taxes by Filipinos travelling from any sea port in Mindanao to any EAGA [East ASEAN Growth Area] country. The government is also keen on tapping the tourist market in the growth area.

Malaysian Detention of Filipino Workers Reported

Incident Described

BK1511081194 Manila PHILIPPINE DAILY INQUIRER in English 9 Nov 94 pp 1, 11

[Report by Juliet M. Labog]

[FBIS Transcribed Text] As in a previous case, Malaysia did not apologize for the 23 October roundup and detention of 305 Filipino workers in Kuala Lumpur and instead justified the arrests as a routine operation against illegal foreign workers.

The justification was contained in Kuala Lumpur's response to Manila's note verbale protesting the mass arrest, the second to be conducted among Filipino workers this year.

Saudi Arabia, on the other hand, has not replied to Manila's protest on the mauling of a Filipino consul in Jeddah on 20 October.

Foreign Secretary Roberto Romulo said "we are still waiting for the courtesy of a reply."

He would not say if he was satisfied with the Malaysian answer or not. But he noted the delay in Kuala Lumpur's response and vowed to press it to honor an existing agreement with Manila on procedures to be observed in the arrest of Filipinos.

"While I appreciate the Malaysian response, which came 10 days after the Philippine Embassy in Kuala Lumpur filed our note, I will nonetheless continue an intensified discussion with the Malaysian government on this matter," Romulo said.

When asked if the Malaysian response was satisfactory, he replied: "My statement stands by itself. I suggest that you read it and see whether I am satisfied or not."

Foreign office spokesperson Susan Castrence described the tone of the Malaysian response as an "acknowledgment of a little faux pas."

"In the text, you could see not regret but acknowledgment that something was overlooked," she said at the Bulong Pulungan [Whisper Hall] forum yesterday.

She described the delay in the response as reflective of a "little insensitivity" on Malaysia's part.

Malaysia did not apologize either, for the arrest of 1,200 Filipinos on the grounds of a Catholic cathedral in Kuala Lumpur in April even after most of them turned out to have proper documents.

The Department of Foreign Affairs [DFA] did not release the entire text of the response sent by the Malaysian foreign minister to Philippine Ambassador Alberto Encomienda in Kuala Lumpur.

But in a statement, the DFA said Malaysia stressed that the roundup was "not directed toward any particular foreign community" and that Malaysian law enforcement agencies "find it necessary to conduct such operations as part of the Malaysian Government's efforts to address the influx of illegal foreign workers in the country."

The DFA quoted the Malaysian foreign ministry as saying that the operation was carried out for three reasons:

—"To check on foreign nationals suspected of having contravened Malaysian immigration laws."

—"To check on foreign workers suspected of deserting their original employers, hence violating the relevant immigration regulation in force."

—"To ensure that alien workers are not mistreated or abused by private employment agencies."

Mostly Maids

Most of the 305 Filipinos rounded up on 23 October were maids.

When arrested, most of them showed valid documents. They also said they were rounded up in a shopping mall and not inside two disco houses as the Malaysian police claimed.

Philippine Embassy officials were neither informed nor given access to the arrested Filipinos for several days, in violation of an agreement that Malaysia would immediately inform the Philippine Embassy of the arrest of any Filipino.

Most of the detainees were released only after their employers came to fetch them and after their papers were found to be valid.

As of yesterday, Philippine officials were still trying to arrange the release of the remaining 62 detainees and their repatriation to Manila "within the week."

Romulo said Malaysia recognized the need for "practical measures" to ensure that Philippine officials are given immediate and adequate information on arrested Filipinos, as well as access to them.

Invoking the "spirit of ASEAN amity and cooperation," Romulo said he hoped that these measures would be worked out at the second meeting of the Philippine-Malaysia Joint Commission on Bilateral Cooperation, to be held in Kuala Lumpur on 24-27 January next year.

Government Condemns Action

BK1211150594 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 11 Nov 94

[FBIS Translated Text] Malaysia continues to detain the Philippine workers who are languishing in Kuala Lumpur's jail. This was revealed in a report received by the Department of Foreign Affairs [DFA]. According to the report, the Malaysian authorities are requiring the Filipinos to present their return tickets to the Philippines before they can be released. The DFA strongly condemned Malaysia's action, which is a violation of international law.

Editorial Criticizes 'Abuse' of Filipinos Abroad

BK1511090394 Manila PHILIPPINE DAILY INQUIRER in English 9 Nov 94 p 8

[Editorial: "Wrong Signals"]

[FBIS Transcribed Text] The abuse of overseas Filipinos, regardless of whether they are workers or diplomats, is not merely a foreign policy issue. It also involves economic policy and human rights. The important thing is the Ramos administration's attitude toward these abuses. The attitude determines whether its response is weak-kneed or defeatist. The mauling of Consul Anacleto Rei Lacanilao in Jeddah, the mass detention of Filipinos in Malaysia, the ban on the recruitment of Filipino maids in Singapore, and the mistreatment of maids in Palau came almost at the same time. Their confluence all the more underlines the fact that OCWs [Overseas Contract Workers] involve a complex problem that cannot be simplified into a "foreign policy failure."

The mauling of Lacanilao by a Saudi police officer is certainly a diplomatic issue. It is an affront to the dignity of the Republic. The Saudi officer happened not to like the face of Lacanilao and there was bad chemistry between them. But bad chemistry is no reason for mauling. Lacanilao did nothing illegal. He asked for nothing special when he took King Fahd's gift to President Ramos to the airport for shipment. He was doing his job. He had diplomatic immunity. He has a right to be defended immediately and firmly by his government.

Parading naked Filipino maids in Palau is a clear case of abuse that calls for immediate condemnation by the Philippine Government. They did nothing illegal.

The Singapore ban is a response to the levy imposed by the labor department on recruitment of domestics. It is an economic issue.

Filipino workers in Malaysia are routinely detained en masse on suspicion they are illegal entrants. We are not asking that Filipinos be treated differently if they have committed illegal acts. But the series of roundups in Malaysia has shown that of hundreds detained, only a handful are illegal entrants. The method of mass detention before evidence of illegal entry is established is deplorable and reminiscent of Gestapo methods.

We are not asking for special treatment of Filipinos abroad. We are not saying that they should not be punished if they break the law. If they do, they should be punished by all means. But the Philippine Government is sending the wrong signal by being apologetic for the harassment of our nationals by foreign governments. It is a wrong assumption that if we protest strongly the obvious cases of harassment, we will discourage investments or bring economic retaliation.

Through its phlegmatic response, the government is sending the wrong signal that foreign governments can mistreat Filipinos with impunity because we won't push things beyond lame diplomatic protests in fear of antagonizing them. Because of this attitude, we are getting what we deserve. Diplomatic protests are dumped into the rubbish bin. The Saudis, for one, are not even making motions to discipline the airport officer who assaulted Lacanilao.

The government's cringing mentality sets the tone of the response of the Department of Foreign Affairs and of our diplomats. When incidents involving abuses committed against Filipinos arise, our diplomats second-guess the president's response. They don't respond immediately because they first ask Manila what to do and they are afraid they might be contradicting government policy if not jeopardizing our relationship with other countries. That's why response to abuses comes too slow. The government gives the benefit of the doubt to the offending foreigners rather than to its own nationals, who are the victims.

Sep Exports Register Record $1.2 Billion

BK1411054694 Manila THE MANILA CHRONICLE in English 8 Nov 94 p 10

[FBIS Transcribed Text] Merchandise exports in September grew by 21.7 percent to a record level of $1.239 billion compared to same month last year.

The increase in the country's export income came despite exporters' complaints about losses arising from the peso's continued appreciation.

The National Statistics Office (NSO), in its latest report, said September's strong performance brought total exports for the first nine months of the year to $9.701 billion, up 18.4 percent from last year's $8.195 billion.

The NSO said that for September, the country exported products worth $1.239 billion, 21.7 percent more than the total $1.018 billion it shipped out during the same month last year.

Month-on-month, September's exports was $66 million or 5.61 percent more than the $1.173 billion level registered in August, the NSO data also showed.

The electronics and components sector was the top export earner for September. It gained 38.9 percent to $317.40 million from last year's value of $228.55 million. The sector accounted for an estimated 26 percent of overall export value.

The second biggest export earner was articles of apparel and clothing which raked in a total of $203.90 million. This sector's export income for September however, was 1 percent and 7.3 percent lower than year and month-ago levels.

Coconut oil exports remained strong, reaching $61.15 million for an increase of 42.5 percent from last year's $42.91 million.

Wirings used for vehicles also posted an increase of 49.3 percent to $35.36 million from last year's figure.

Woodcraft and furniture came in sixth with an export income of $33.83 million, up 29 percent from the September 1993 level of $26.22 million.

Meanwhile, gold exports were up 30.4 percent to $22.74 million in September year-on-year. They were 16.1 percent down from August's figure but were still the seventh highest earning export the following month.

The country's other major export products and their respective values are: input/output/peripheral Units, $21.18 million; transmission apparatus with reception for radio telephony, etc., $20.90 million; shrimps and prawns (fresh, chilled and frozen), $20.05 million.

Most of these products were exported to the United States, which absorbed $454.19 million worth, a 13.5 percent or $54.07 million increase on an annual basis.

Japan remained the country's second biggest export market, having bought 16 percent of total exports worth $198.43 million.

The third major market was Singapore with total purchase of $81.59 million, up 87.5 percent against last year's $43.51 million.

Other major markets for Philippine goods during the period under review were: Netherlands, $66.73 million; United Kingdom, $56.02 million; Germany, $53.17 million; Hong Kong, $52.43 million; Taiwan, $40.08 million; Thailand, $29.72 million and, the Republic of Korea $24.00 million, the NSO report further stated.

Income from these markets reached $1.056 billion accounting for 85.3 percent of total exports for September.

Outstanding Public Debt Increases 18 Percent

BK1511133094 Manila BUSINESS WORLD in English 9 Nov 94 p 14

[FBIS Transcribed Text] The country's outstanding public debt expanded 17.9 percent to P [Philippine pesos] 1.323 trillion as of August from P1.122 trillion in the corresponding period last year.

Latest data obtained from the Bureau of Treasury (BTr) show outstanding public borrowings, which is divided into foreign and domestic-sourced loans, rose by P201 billion during the period in review.

Aggregate foreign loans reached P606 billion, inching up 2.01 percent from the year-ago level. Domestic obligations likewise grew 35.8 percent to P717 billion. Foreign and domestic liabilities comprised 46 percent and 54 percent of total, respectively.

Normally, government resorts to borrowing to be able to raise funds and cover deficits without necessarily increasing taxes. Public borrowings cover all foreign and domestic liabilities incurred by government, its agencies and instrumentalities.

The expansion in public liabilities can be traced to the substantial increase in regular accounts, which comprised 87 percent of aggregate public debt. Regular accounts swelled 19.4 percent or P189 billion to P1.164 trillion from P975.03 billion in the eight-month stretch last year. Regular accounts comprised direct loans of the national government and its assumed loans, and RP [Republic of the Philippines]-bond converted loans.

Direct loans acquired by government cornered the bulk, reaching P1.019 trillion or 88 percent of regular accounts. Among these liabilities were P962 billion availed by various government agencies. The remaining P56 billion were relent to different government-owned-and-controlled corporations such as the National Food Authority, National Power Corp., and the National Electrification Administration.

The RP-bond converted loans under the Philippine Financial Plan also formed part of regular accounts amounting to P80.4 billion or $3.035 billion. This compared with P79.61 billion or $3.04 billion as of July and P89.12 billion or $3.18 billion as of August last year.

The amounts in original currencies were converted into U.S. dollars using the Bangko Sentral's [Central Bank's] guiding rate of P26.484:$1. The peso weakened vis-a-vis the U.S. green bucks by P25.5 centavos from the month-ago guiding rate of P26.229:$1. [sentence as published]

Meanwhile, contingent and guaranteed loans registered an 8.2 percent uptick or P12.14 billion, cornering 12 percent of total. Contingent and guaranteed liabilities totalled P159.29 billion as of August.

Every Filipino has a share of P19.75 billion in the outstanding public debt, based on BUSINESS WORLD computations. This could be bigger if interest payments will be included. The National Statistical Coordination Board placed total population at 67 million.

Return of Abu Sayyaf Leader Discussed

Return Creating 'Tension'

BK1511075494 Manila MANILA STANDARD in English 10 Nov 94 p 4

[Report by Romie Evangelista—passages in italics published in Tagalog]

[FBIS Transcribed Text] Abu Sayyaf leader Abdujarak Abubakar Janjalani has returned to Basilan from Sulu causing tension among public school teachers in the province who fear of possible resurgence of harassment to be perpetrated by the group.

Basilan Gov. Gerry Salapuddin confirmed that Janjalani landed in one of the coastal areas in Sampinit town in Basilan with about 40 to 50 armed men he brought with him from Sulu last week.

"Yes, this is alarming because once again public school teachers fear of another harassment to be perpetrated by Janjalani and his men," Salapuddin said in response to queries on the threat brought about by the presence of Janjalani in his province.

Salapuddin, who was interviewed by reporters at Camp Crame yesterday, said combined military and police units are keeping track of Janjalani's whereabouts and to effect his possible immediate arrest.

The Basilan governor said he had been informed that Janjalani was back in Basilan purposely to hide from government troops hunting him in Sulu and to visit the grave of his commander, Barahama Sali.

Abu Sayyaf Remnants

According to Salapuddin, Janjalani cannot regain control of the Abu Sayyaf's former bailiwick in Sampinit town because of the presence of substantial number of Army troops in the area.

He said the military, police and all local government units in Basilan are coordinating all efforts to prevent Janjalani from creating havoc in the province.

The Abu Sayyaf Muslim fundamentalist group had been blamed for the recent rash of atrocities in Romblon and Sulu, including murders and kidnapings.

Salapuddin said Abu Sayyaf from the start is not really that strong. *But* they might create violence again *if* the military and police *are not vigilant,*" he explained.

Lawless Elements

He added that there is no vigilante groups in Basilan and all they have are resistance groups composed of the local citizenry who are against lawless elements.

Asked to comment on the alleged violation of the ceasefire agreement by the Moro National Liberation Front (MNLF) for reportedly conducting a recruitment and training binge, Salapuddin said: "The MNLF is only retraining their members, *not* violation *of* ceasefire agreement."

MNLF To Refuse Sanctuary

BK1511084694 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 15 Nov 94

[FBIS Translated Text] The Moro National Liberation Front [MNLF] has assured the military that it will not give sanctuary to Abu Sayyaf group leader Ustadz Abdurajak Abubakar Janjalani. This was reported by the military's Southern Command Chief Orlando Soriano. Soriano said Janjalani has been sighted leaving Basilan Island and attempting to regroup his followers. He added that the MNLF's assurances were relayed by one of its panelists in the joint cease-fire committee.

Government Releases 24 'Political Prisoners'

BK1511071494 Manila THE MANILA CHRONICLE in English 10 Nov 94 p 7

[Report by Cesar Manalo]

[FBIS Transcribed Text] A total of 24 political prisoners was formally released yesterday from the National Bilibid Prison (NBP) in Muntinlupa and various detention centers nationwide as part of the confidence building measure of the Ramos government in the peace process.

NBP Chief of Documentation Department Magdalena Mogriedo identified the seven NBP released political prisoners as Alfonso Buet, Jun Dionisio, Moreno Giron, Ricardo Mavella, Gabby Nolla, Carlitos Susmera and Jess Johnny-Salina.

Mogriedo said ten NBP political detainees cannot be released due to some problems such as the pendency of their cases in the Appellate courts. She did not elaborate. An NBP official who refused to be named said 14 of those to be released will come from Cebu and other Visayan detention centers.

The release of the detainees was an offshoot of President Ramos' 30 September directive to government prosecutors not to oppose any petitions for the temporary release of some 35 political detainees.

Probably reacting to a CHRONICLE story criticizing the delay of the release of the political detainees due to red tape, Department of Justice [DOJ] Secretary Franklin Drilon, ordered immediately their release.

Drilon's statement was contained in his memorandum to President Ramos in reaction to reports criticizing Malacanang's inaction on the release of some 24 pardoned detainees.

Executive Secretary Teofisto Guingona in a memo informed DOJ about the pardon of the detainees as early as 14 October but the copy was received by the Board of Pardons and Parole only last 24 October.

Drilon explained that 'in most cases, the accused have yet to file their petition for release resulting in the delay.'

Congressman Reacts to MNLF Autonomy Demands

BK1511031894 Quezon City PTV-4 Television Network in Tagalog 1000 GMT 14 Nov 94

[FBIS Translated Text] The request by Nur Misuari, Moro National Liberation Front [MNLF] chairman, to expand autonomy in Mindanao will not be a stumbling block to the peace process. This was revealed by government panel member Eduardo Ermita in reaction to the MNLF's position on implementing the provision of the Tripoli Agreement. Misuari is asking for the autonomy to cover the 13 provinces of Mindanao.

Meanwhile, Misuari reported that the cease-fire between the government and the MNLF has helped the campaign against crime:

[Begin Ermita recording in English, in progress] ...in Mindanao have been effectively checked, and to the point that during the past months or last year even the MNLF assisted in the recovery of those kidnap victims by the Abu Sayyaf, and for that matter, by the so-called lost command of the Moro Islamic Liberation Front. So, all these things, I hope, will result in something positive. [end recording]

Police Report NPA North Luzon Force Buildup

BK1511081694 Manila PHILIPPINE DAILY INQUIRER in English 10 Nov 94 p 18

[Report by Dormie Villamil and Alfred Dizon]

[FBIS Transcribed Text] Camp Dangwa, Benguet—The police here have reported a building up of forces of the New People's Army [NPA] in Northern Luzon, following the collapse of peace talks between the government and the communist rebels.

Senior Supt. [Superintendent] Renato Aguda, Philippine National Police [PNP] assistant regional director for operations in Cordillera, said in a press briefing the deployment of NPA regulars or combatants in Northern Luzon was part of the five-year development plan starting in 1992 of the Communist Party of the Philippines.

According to the plan, each NPA regional command must have a company of armed regulars, Aguda said.

"Although there were no reports of actual encounters yet,...it is a must that we reconsider the deployment of these forces in our area," Aguda said, adding the PNP is preparing for the takeover of anti-insurgency responsibilities from the military starting 1 January.

NPA groups in the Cordillera include the Far North Luzon Regional Operational Command based in Kalinga Apayao and the Cordillera Regional Operational Command covering Abra, Ifugao, Mountain Province and Benguet.

NPA members in Cagayan and Isabela are under Northeast Regional Operational Command.

The Northern Luzon Regional Commission, commanding body of the NPA in the region, is headed by a certain Leo Velasco.

"These are the NPA groups that we will have to face once the full responsibility to take over these areas will be handed to us," Aguda said.

Meanwhile, the Cordillera Amnesty Board has sought the extension of the 29 November deadline for processing of amnesty applications for rebels in the region.

"Only two rebels have applied yet," said Mayor Mauricio Domogan, a member of the board. He told National Amnesty Board Commissioner Artemio Tadiar during a meeting in Baguio City last week that rebels cannot meet the deadline since most of them come from the hinterlands.

"The processing period must be extended for at least a month to give time for more information dissemination on the amnesty program," Domogan said.

Amnesty is offered to NPA rebels and members of the Rebolusyonaryong Alyansang Makabansa [Revolutionary Nationalist Alliance] who have committed crimes against public order.

Thailand

Foreign Minister Plays Down Cambodia Visit

BK1611091694 Bangkok BANGKOK POST in English 16 Nov 94 p 6

[FBIS Transcribed Text] Foreign Minister Thaksin Chinnawat yesterday denied a rushed visit to Cambodia was in response to criticism from Australia that some Thai elements still support the Khmer Rouge. It is a tradition among the six members of the Association of Southeast Asian Nations (ASEAN) to visit each other first before visiting neighbouring and other friendly countries, he said.

A senior Foreign Ministry official said the request to pay an official visit to Phnom Penh was forwarded about a week ago and he did not expect it would be arranged as proposed by Bangkok for November 21.

"The visit is not confirmed we're still working on it," said Dr. Thaksin. "The tradition is there, but it is not so strict in this case because I just met with my ASEAN counterparts at this meeting," said Dr. Thaksin, referring to the just concluded meeting of the Asia-Pacific Economic Cooperation (APEC) in Indonesia.

He denied the visit was in response to allegations made by certain Australian parliamentarians and human rights groups that some elements in Thailand still supported the Khmer Rouge, and that weapons which Australia was trying to sell to Thailand might end up in the hands of the guerrillas.

"I have time, so I will try to visit Cambodia," the minister said.

At an earlier press conference after playing golf with his Australian counterpart Gareth Evans, Dr. Thaksin told reporters the aim of his visit was to reiterate Thailand's support for the elected government and to show the international community how close relations were between the two neighbours.

"Thailand has done the best it can," he said describing Bangkok's policy towards Cambodia. It is rumoured Mr. Thaksin's International Broadcasting Corporation (IBC Cambodia) was linked to the failed coup last July.

"I don't have to clarify anything. Prime Minister Hun Sen has already clarified everything. I'm going there as a new minister who has just taken up office," he said. Mr. Thaksin said Kraiwut Sriwutthiwong, of IBC Cambodia, was a lobbyist for Thai companies wanting to set up business in Cambodia and no longer worked for the company since formation of the elected government.

Mr. Kraiwut has been blacklisted by the Phnom Penh government on grounds he may have provided some support for the failed coup in July.

Mr. Thaksin said IBC Cambodia was no different to other foreign companies in Cambodia whose licence or contract must be reviewed after Phnom Penh officially issues its investment law.

Editorial Views Canberra Charges on Khmer Rouge

BK1611091294 Bangkok BANGKOK POST in English 16 Nov 94 p 4

[Editorial: "Australian 'Row' Must Be Seen in a Wider Context"]

[FBIS Transcribed Text] Australian Foreign Minister Gareth Evans made a diplomatic error last week which has haunted him and his foreign representatives abroad throughout the APEC conference. He accused Thailand, in a statement embassy sources claim was badly worded, of continuing to harbour and trade with members of the Khmer Rouge. Offence was taken, and rightly so. But the point was missed.

It is a point newly-appointed Australian ambassador to Bangkok Cavan Hogue has spent considerable time patching up during a series of introductory "call-in" meetings with high-ranking Thai officials. The meetings are usually reserved for an exchange of diplomatic pleasantries, but have now provided Mr. Hogue with an initiation he could well do without. For Australians at least, it was lucky he is a career diplomat, with vast experience including his last posting in Russia where the utmost of tact is required from Western missionaries.

The issue has now gone to the highest level. Australian Prime Minister Paul Keating and Thai Premier Chuan Likpai discussed it in Bogor on Monday in what had been expected to be a sensitive encounter. Mr. Chuan has publicly attacked the Australian accusations, demanding that the claim be backed with evidence. And Australia has taken a defensive step backwards by saying comments meant to raise the issue of assistance which Thai groups and individuals are still allegedly offering the Khmer Rouge did not represent the official views of Canberra, but those of small political parties. Gareth Evans also chimed in to admit that his information was "outdated".

Australia, too, could rightly be offended by Mr. Chuan's comments that Australia doesn't border other countries and doesn't understand the situation. In the modern world of globalisation, "unworldly" could be a condensed, yet terse translation of the comment. And similar to a schoolboy in the headmaster's office, Mr. Evans reportedly received an earful from an angry Thaksin Chinnawat over a game of golf regarding the issue. In an era of economic development, good bilateral relations are becoming even more important. Careless accusations are not conducive to this, but nor is childish back-biting, as seen when Thailand immediately retaliated by accusing Australia of funding Burmese students to spy on Thai officials. Even if the accusation was true, the timing was of retaliatory defensiveness.

The three murders of hostages in Cambodia—including that of Australian David Wilson—sparked Mr. Evans' comment which was supported by his Prime Minister in Parliament. The murder is the type of disaster which brings patriotic unity. In that sense, it is necessary for the international community to apply pressure in areas they feel further tragedy can be prevented. Had original comments about Khmer Rouge activity along the Thai-Cambodian border been worded as they were intended, they certainly were valid. And in that sense, Australia should not back down. Wars have started over less, despite Cambodia's "democratically" elected government. Army Commander General Wimon Wongwanit claims they were spies. But do spies investigate the operations and plans of an honest democratic government?

And where is Pol Pot? That question alone raises concern over the possibility, however much it might be denied, of any clandestine assistance being given to his still-active underground regime. Is he still living on the Thai-Cambodian border as rumoured, or has he been harboured in a third country similar to the option being considered for failed coup leader Gen. Sin Song. Would Hitler have been allowed to live in Switzerland after the war without ever having been brought to justice? Gen. Nuon Paet, accused of ordering the killings of the three hostages, should certainly not be given such refuge here.

Stop the bitter, frivolous feuding. Stand up for what is right. And stamp down on the inhumane activities of groups such as the Khmer Rouge. Perhaps too much emphasis is being placed on the need to save face. Mr. Evans is sorry. Now Mr. Chuan should concentrate on ensuring international criminals are not given help in any form by "individuals or groups" while they are inside the borders controlled by his Government.

Japan Agrees To Resume Economic Aid to Burma

BK1511075894 Bangkok THE NATION in English 15 Nov 94 p A4

[Report by Yindi Loetcharoenchok in Jakarta]

[FBIS Transcribed Text] Jakarta—Tokyo will resume economic assistance to Burma very soon, Japanese Foreign Minister Yohei Kono told Foreign Minister Thaksin Chinnawat during bilateral talks here yesterday. It was the first official confirmation by Tokyo since reports leaked two weeks ago that Japan was considering resuming Official Development Assistance (ODA) to the repressive military junta that rules Burma.

Japanese officials said Tokyo would make available about a billion yen in grants and aid in medical and humanitarian fields on the grounds that the political climate in Burma has shown some improvement, according to Foreign Ministry spokesman Suwit Simasakun. This would help generate momentum for future talks between Burma's military leaders and opposition leader Aung San Suu Kyi, who has been under house arrest since 1987.

Suwit told reporters after the two ministers met that Kono had commended Thailand's policy of constructive engagement with Burma as the right approach, especially its invitation to Burmese Foreign Minister U Aung Gyaw to attend the ASEAN Ministerial Meeting in in Bangkok last July.

Kono was quoted as saying Japan intended applying the same diplomatic approach.

Tokyo froze its ODA program to Burma in 1988 when the present junta, the State Law and Order Restoration Council (SLORC), seized power by suppressing pro-democracy demonstrators and ending months of anti-government unrest in the capital and other Burmese cities.

SLORC promised multi-party elections, but one day after its formation troops occupied Rangoon and mowed down demonstrators who took to the streets in protest. Burma has been under military rule since 1962.

Since 1988 Tokyo has limited aid to three projects in support of International Red Cross activities.

Thaksin told Kono that construction of the Thai-Burmese bridge across the Moei River was testament to Thailand's policy towards Burma, according to Suwit.

The two governments last month signed a contract to construct the bridge, the second between Thailand and Burma. The first is at Mae Sai in Chiang Rai Province.

Singapore Said 'Selling Out' to West on Trade

BK1511085994 Bangkok THE NATION in English 15 Nov 94 p A7

["Comment" by contributing editor Thitinan Phongsutthirak: "Time for Singapore govt to put its money where its mouth is"]

[FBIS Transcribed Text] The summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum is particularly crucial, not only for the 18 member-countries of the group but more so for the future of the six-member Association of Southeast Asian Nations (ASEAN). Given their organization's shaky cohesion, the principal members of ASEAN should rein in Singapore's hypocritical embrace of APEC's free trade proposal and hunker down to make the ASEAN Free Trade Area (AFTA) a genuine success.

During the last two years, Singaporean officials have taken it upon themselves to be the spokespersons for the so-called "Asian values", speaking out in America's prestigious journals and places of higher learning. In chastising the proselytizing American versions of liberal democracy, individual freedom and human rights, the Singaporeans have emphasized order, stability, consensus, discipline, the family, education, and deference to authority as the vital ingredients for the economic success of East Asia.

Led by Lee Kuan Yew, himself practically the self-appointed reincarnation of Confucius, they have had a field-day dissecting the social decay of America, castigating its rising crime rates, increasing single parenthood, declining SAT scores and boundless press, among other symptoms which are rooted in the United States' insatiable quest for individual freedom.

As much as these criticisms are unpalatable to Americans, they are consonant with East Asian views of America. When Michael Fay was caned, for example, the event provoked none of the American outrage among East Asians who grew up with the firm, unquestioned rod.

The Singaporeans, in fact, are taking the leadership role that is needed in East Asia due to the region's uncanny inability to articulate its own views about relations between individual rights and state authority, about the fundamental differences between political and social "right" versus "dignity," which has characterized the subtlety and indirectness of East Asian societies (as evidenced in the importance of not losing face, for example).

For East Asians who are saddened by the onslaught of the Westernization that has accompanied modernization, producing decadent and individualistic values and breaking down traditional family ties, Lee and his platoon of intellectuals offer a glimmer of hope that there may indeed be a way to reconcile East Asian economic success with traditional East Asian values.

But when it comes to the crunch, the Singaporeans become hypocrites. Recently, Singaporean officials urged Australia and the US to come up with a scheduled implementation of a proposal to create a free trade area in APEC by the year 2020.

To be sure, the Eminent Persons Group's free trade report, despite pretensions to the contrary, does not lead to "open regionalism," which rests on the basic principles of unilateral liberalization and unconditional most-favoured nation. It calls for a three-stage negotiated liberalization based on reciprocity, discriminating against the products of non-APEC members.

As a free-trading island-state, Singapore has all the more to gain from a free trade area that would produce nearly half of the world's output. But the Singaporean position comes at the expense of ASEAN's political cohesion and economic integration.

Without the Cold War discipline, ASEAN has had to grapple with a host of rapid changes all seeming to converge at the same time. As an insurance against global trade uncertainties and regional economic integration elsewhere, ASEAN two years ago implemented a 15-year free trade area excluding the large sectors of unprocessed agriculture and services.

Outpaced by the Uruguay agreement and in the face of entrenched protectionist interests, ASEAN leaders recently decided to quicken the schedule to 10 years and to expand the area to all sectors, offering a free trade area that would substantially integrate the ASEAN economies.

In addition to deepening AFTA, ASEAN concurrently accepted Vietnam as its seventh member, a decision which will likely be formalized by December 1995. The ramifications of this widening of membership have not been examined thoroughly, not to mention eventual memberships for Laos, Cambodia, and conceivably Burma.

The APEC free trade plan is threatening to overwhelm ASEAN's crucial processes of widening and deepening. APEC is also not all about free trade, as a recent NEW YORK TIMES editorial portrays President Clinton's eastward focus.

Why, for example at the APEC meeting in September 1992, did the US send a third-rate representation (no cabinet-level official bothered to come)? Consequently, President Clinton's initial calling for the summit in Seattle a year later was big news to American officials in Bangkok.

APEC's five-year leap from being a "consultative" forum to a giant free trade area is suspect. One cannot help but wonder if the various trade conflicts between the US and the East Asian countries will not simply be transferred from the international trade framework to APEC's agenda. More ominously, such an APEC free trade area will push post-Uruguay multilateral trading regime further to the side.

These factors are partly why the Indonesian foreign minister has come out against pegging a timeframe on APEC. But his boss wants to look good on the world stage in front of his guests and to make sure no one goes home unhappy. As the host, President Suharto certainly does not want to spoil the party, but he is far from being an advocate of APEC free trade.

Thailand is perennially waiting and seeing. Malaysia has an alternative to APEC known as the East Asian Economic Caucus which would supposedly be the embodiment of Asian values. Neither the three Chinas (China, Taiwan and Hong Kong), nor South Korea and Japan, are gung-ho about APEC free trade.

Hence the Singaporeans are selling out. They reject Western liberal values, spanking people left and right for dubious crimes. But then the Singaporeans turn around to embrace the pockets of everybody, not least the very people whose values they reject.

There still may be a way to achieve the phenomenal economic growth of East Asia without going the social way of America. If the Singaporeans think they have found the way, they need to start convincing people in Jakarta, Kuala Lumpur and Bangkok first before Cambridge, Manhattan and the Beltway.

Deputy Foreign Minister Views Indian Links

BK1511073494 Bangkok THE NATION in English 15 Nov 94 p A2

[Report by Rita Patthiyasawi]

[FBIS Transcribed Text] Deputy Foreign Minister Surin Phitsuwan would like to see India develop closer economic links with countries in the region but says this does not necessarily mean it has to join trade groupings like the Association of Southeast Asian Nations (ASEAN) or the Asia-Pacific Economic Cooperation (APEC).

Speaking to reporters on Sunday after his return from a four-day official visit to India, Surin said India did not need to seek an upgrade of its current status as a regional dialogue partner to APEC and ASEAN in order to forge closer trade and investment links with countries in the region.

The deputy foreign minister suggested that the Indian government could achieve the same ends by entering into arrangements on trade and economic cooperation with individual countries, including ASEAN and APEC members.

India has already expressed interest in joining both APEC and the ASEAN Regional Forum.

"The best bargaining tool (for any country) is economic performance. If India's liberalization programme continues and its economy becomes (more) dynamic and buoyant, then there would be no need (for India) to belong to any organization. Other countries would queue up to invest in and trade with Indian companies," the minister said.

The Democrat MP revealed that a decision would be taken at the 28th ASEAN Ministerial Meeting to be held in Brunei next July on whether to accede to India's request for an upgrade of its status from a sectorial to a fully-fledged dialogue partner.

Surin said Thailand had no objection to this but was unsure whether the change in status would produce any significant benefits for India.

Surin pointed out that India, with a population in excess of 900 million people, was obviously a very attractive market for potential investors:

"India could easily become another China because of the attraction it holds for investors, businessmen and traders alike. But it needs to streamline rules and regulations governing investment and provide more economic incentives if it wants to attract more foreign investors," the minister said.

Surin said the government was encouraging New Delhi to participate in a three-way economic cooperation agreement between India, Sri Lanka, and Thailand, first suggested by Deputy Prime Minister Suphachai Phanitchaphak.

"This Growth Triangle concept is in line with ideas for an Indian Ocean Rim (IOR) cooperation pact. They both call for close cooperation on issues related to trade, economic development and culture among countries which border the Indian ocean and between countries who share similar cultures.

"India will benefit immensely from its active leadership of the IOR and from participating in this Growth Triangle arrangement," Surin commented.

South Africa and Mauritius have already come out in support of the IOR proposal and Mauritius is to host the first meeting, scheduled for next May.

Surin said that Thailand, Malaysia and Singapore are also giving some thought to the IOR proposal while Australia has shown interest but is still uncommitted because of uncertainty over how many countries the new trade grouping will cover.

Thai-U.S. Business Council's Focus Outlined

BK1611090594 Bangkok BANGKOK POST in English 16 Nov 94 p 32

[FBIS Transcribed Excerpt] A group of major companies in Thailand and the United States have formed a Thailand US Business Council to pave the way for joint ventures in megaprojects in Thailand and for market access to the United States.

US Trade Representative Mickey Kantor said at a ceremony establishing the council in Washington that bilateral trade between Thailand and US now amounted to US$12 billion, increasing by an average of 21 percent a year over the last five years.

President Bill Clinton and Prime Minister Chuan Likphai have both endorsed the council's formation. The council's founding statement said that it would attempt to "a continuous dialogue directed through an organised forum". It said business between the two countries should be based on "honour and respect for the unique history and traditions of each nation".

The council will enjoy rights and status equal to its counterpart, the US-Thailand Business Council. [passage omitted listing council members]

M.R. Kasem Samoson Kasemsi, a former deputy prime minister chairs the council. He said yesterday that each council member will pay 200,000 baht a year in dues. US members are expected to discuss joint ventures in power plant and transportation megaprojects.

The first visit of the Thailand-US Business Council, accompanying a US Senate delegation to Thailand, begins today and lasts until Friday.

The US senators are Christopher Bond, Sam Nunn, William Cohen, John Glenn, David Pryor, Barbara Mikulski, Christopher Dodd. John McDonnell, chairman of the board of McDonnell Douglas, Corp, leads the council delegation.

Cabinet Approves Intellectual Rights Bill

BK1611081994 Bangkok BANGKOK POST in English 16 Nov 94 p 19

[FBIS Transcribed Text] The Cabinet yesterday approved the Intellectual Property Rights and International Trade Court Bill, and it is expected to be proposed to the House very soon. The bill provides for the appointment of judges of the Intellectual Property Rights and International Trade Court at several levels including regional and provincial ones. The bill follows passage of a new copyright law that strengthens intellectual property protection of computer software and other products, in line with international standards.

* Villagers Object to Khon Kaen Industrial Park

95SE0005A Bangkok SIAM RAT SAPDA WICHAN in Thai 4-10 Sep 94 pp 21-23

[Article by Chitraphon Wanatphong]

[FBIS Translated Text] Khon Kaen—Sri and Wan diligently threaded the shuttle in preparation for weaving cloth. Four or five pieces of fabric that they had finished weaving hung on lines in the yard in front of their house. Bundles of pale yellow, green, and red reeds were nearby. Once the white warp threads were ready, the two expertly began the weaving process.

"Each day, we can make four or five pieces. We can earn enough to pay for our children's lunch money at school," said Sri. She added that some women can weave up to 20 pieces of fabric a day in their spare time after working in the fields. Merchants come to the village and buy the fabric, paying 10 baht for each piece of fabric. Weaving is fun, and they can earn some money in addition to growing rice and other crops such as sugarcane, corn, and cassava.

Sri and Wan live in Ban Nong Han Chang, Nam Phong District, Khon Kaen Province. There are about 70 houses in this village. Outside the village, there is a garden that the villagers have planted. This dense garden, which covers a very large area, is filled with clumps of bamboo and various types of vegetables and fruits.

Farther away are the fields of upland field crops interplanted with large trees, in which birds sit and sing and butterflies of various colors fly about. Beyond that you can see a large swamp that the villagers call the Han Chang Swamp after the name of the village. You can see three or four buffaloes wallowing in the mud along the edge of the swamp. Pink water lilies grow in the swamp, and three or four village fishing boats can be seen in the middle of the swamp. And if you look far beyond that, you can see the Phoenix Pulp and Paper Mill, which is located north of this swamp.

The Han Chang Swamp is connected to the Phong River, the main artery of the farmers in Khon Kaen Province. Thus, the house of Sri is located in a very favorable area. That is, it is close to the river and the soil is fertile in accord with the philosophy of our forefathers in selecting sites to build villages.

But today, this village has greater importance than just this. This is because Ban Nong Han Chang is located near the future site of the Khok Hin Khao Industrial Park. The new neighbors of Sri and Wan will be 42 industrial factories soon to be built on 1,548 rai known as the Khok Hin Khao area.

Even though the "bosses" have never bothered to officially inform the villagers, Sri and Wan and the other villagers know what will happen in the village.

"We don't want that. Industrial parks create much pollution, and they smell," they said.

The villagers here know what will happen. They have already suffered from the hazardous materials released by the industrial plants located along the banks of the Phong River. The waste water that those plants have released into the river have killed the fish and rice in the fields three times, that is, in 1992, 1993, and most recently in July 1994.

"There are only three plants at present, but we are already fed up," said one of Sri's neighbors. "When the wind is blowing this way, we get the smell from the paper pulp plant." He pointed in the direction of Nong Nam and then in the other direction. "When the wind is blowing from that direction, we get the smell from the liquor distillery. And then there is the furniture factory."

He said that when the factory released waste water into Chot Creek, which flows into the Phong River, that affected Nong Han Chang, which is situated near Chot Creek and the Phong River. The water in Nong Han Chang turned black and smelled. The fish died. And during the rainy season, the rainwater was dirtied by the smog in the air.

We asked him if he thinks building industrial parks is a good idea. The government claims that the Khok Hin Khao Industrial Park will create 40,000 new jobs. Farmers will be able to find jobs as laborers. They will have a regular salary and be able to live well.

He replied, "To date, few villagers have gone to work in factories. All they do is haul timber. Others can go to work there as laborers. People like us won't be able to get jobs there. They accept only those who have the proper qualifications."

These are not the nice-sounding words that you will find on paper. They represent actual experiences highly valued by such villagers as Sri, Wan, Bua Phan, Chuang, and others.

On 18 April 1994, the cabinet passed a resolution approving the construction of an industrial park in the Khok Hin Khao area, which encompasses 2,600 rai. This project is in response to the policy on supporting industry in the rural areas in order to reduce industrial density in Bangkok and the surrounding areas. The Fifth Development Plan states that Khon Kaen is to be a center of development. In particular, it is to be a base for production and economic development.

In addition to creating jobs for 40,000 people, this will increase investment in the province to 30 billion baht. And if investment continues, total investment there could reach 50-60 billion baht.

And that is not all. The Development Council has found that Khon Kaen Province has communications, energy, skilled laborers, and other factors necessary for industrial development. Moreover, the waste water treatment system can be controlled easily, because the Industrial Estate Authority of Thailand already has laws in place. This industrial park needs 40-50 million cubic meters of water a year. That is no problem, because it can obtain water from the Phong River and the Sua Ten Creek.

The village is surrounded by rice fields. At a distance from Nong Han Chang is Sua Ten Creek, and the large swamp is even farther away. A villager pointed to a small canal running from the Sua Ten Creek to the rice fields. That canal is used to bring water to the fields. He said that it is this canal that will be used to move clean water to the 42 factories in the industrial park and drain waste water from the factories into the river.

"When that happens, that will be the end of all of us," he said.

In view of the fact that these factories will need 40-50 million cubic meters of water a year in addition to the water needed by the existing factories, it's quite clear what effect this will have on the Phong River and the farmers who use the water from this river. Today, the paper pulp plant uses 57,000 cubic meters of water a day; the sugar mill uses 34,000 cubic meters daily; the liquor distillery uses 2,000 cubic meters of water a day; and the Khon Kaen water works uses 17,000 cubic meters per day. All together, the Phong River supplies a total of approximately 42 million cubic meters of water a year for these activities. That is a huge amount of water.

The factories release waste water into the river. The fact that the Phong River has been seriously polluted three times in three years clearly shows that little is being done to solve this problem even though there is a law to protect our rivers.

The competition for the use of the water and water pollution are not the only problems. That 2,500 rai of so-called public land is land that was once owned by villagers. The 171 peasant families living in the four villages in that area (Ban Nong Han Chang, Ban Duang, Ban Nong Ya Rangka, and Ban Kham Bong) have been planting crops in the Khok Hin Khao area for more than 30 years in accord with the self-help settlement project. They moved here after being displaced by the construction of the Ubon Rat Dam. But the state has not guaranteed their rights, meaning that the villagers will lose their land to the industrial park and will not receive any compensation. Now, they are called "trespassers."

A 60-year-old man said that he was born here and wants to die here. "The land here belongs to the farmers. If they are going to blame the farmers for trespassing, they will have to blame our ancestors, who first opened up this land. The ones who are to blame are those who are disturbing the ashes of our ancestors."

On the afternoon of the day that Sri and Wan sat weaving cloth, the entire village was very quiet because most people had gone to the temple pavilion to talk with an official from the Department of Public Welfare, who had come to gather the facts about the land problem. The villagers listened to his responses in great hope. What they heard him say was:

"I came here to gather the facts. I don't have the authority to make a decision. I will submit a report to my superior."

When talking about officials, they seemed very discouraged. One man said that villagers once asked an administrative official, "sitting up there on the platform, can't you smell the stink coming from the plant?" The response was in essence the same as that above, that is, "I can't smell anything. I have a cold."

Even before people started talking about establishing this industrial park in Khon Kaen, the Phoenix Pulp and Paper Plant was the first round.

"In 1992, the villagers in my village had problems with the waste water from the Phoenix plant. The waste water drained into the rice fields and killed the rice sprouts," said Bua Phan, an elder in Ban Nong Bua Noi. "I led a group of villagers to appeal to the plant and the district. But we were not treated fairly. They sent an agricultural expert to inspect things. He found that the rice had been killed by harmful insects. We felt that we had been treated unfairly. Villagers in three-four other villages that had been similarly affected formed a Phong River defense group in order to fight this."

Now that the matter of an industrial park has become an issue again, Bua Phan feels that this problem is similar to that in the past.

"Water has to be pumped from the Phong River to the factories, which then release waste water into the river. But the problem will be much worse, because there will be more factories."

Villagers from several villages in Nam Phong District have met to exchange ideas. One village has been affected by the operations of the Phoenix plant. Another is confronting the issue of the industrial park. In the end, they decided to form a village organization. Their last option will be to confront the problem...and fight!

In July, approximately 120 villagers twice staged demonstrations to protest the construction of the Khok Hin Khao industrial park. One demonstration was staged in front of the district administrative headquarters, and the other was held in front of the provincial administrative headquarters.

Some villagers have had a chance to go and observe the situation in the villages near the Lamphun industrial park in Lamphun Province. They exchanged ideas and discussed the problems with the villagers there. They have told the people in their villages about what has happened in the lives of the workers in Lamphun. But what has happened elsewhere carries much less weight than what has happened in nearby villages.

"Initially, the villagers supported the establishment of an industrial park, because that would create jobs. But then they learned that they would not be compensated for the land and saw that nothing was being done to deal with the problem of waste water from the Phoenix plant. We would first like to deal with the existing problem of the pollution of the Phong River. Then we can think about building a new industrial park," said Bua Phan.

The following is an except from a statement issued by villagers that was submitted to the prime minister on 10 July:

"Officials claim that the industrial park will create jobs for villagers and bring prosperity to the northeast. But our experiences with the Phoenix Plant have taught us painful lessons. From sending representatives to observe things at the Lamphun industrial park, we know that the claims about prosperity are not true. Many people there have been adversely affected, and some have died. Only a few low-paying jobs have been created while the environment has been destroyed and polluted just like the Phong River. This has done much damage, and so far the problems have not been solved. For these reasons, we ask that this project be canceled. Signed, The villagers who have been adversely affected (villagers from the four villages in the Khok Hin Khao area)."

Vietnam

'More Than 50' Boxes of MIA Remains Returned

BK1611105294 Hanoi Voice of Vietnam in English 1000 GMT 16 Nov 94

[FBIS Transcribed Text] A Joint U.S.-Vietnamese team has dug up human remains and warplane wreckage during excavations in Vietnam during the past months. The searches are part of U.S. efforts to determine the fate of 2,240 airmen and soldiers who are listed as missing in action in Indochina from the Vietnam War which ended in 1975. More than 50 boxes of remains which could relate to more than 50 individuals have been sent back for analysis after five previous field missions this year. Experts will decide later this month how many remains will be sent to the United States for forensic examination.

Do Muoi Discusses MIA Progress With Senator

BK1511145094 Hanoi VNA in English 1424 GMT 15 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 15—General Secretary Do Muoi received here today American Senator John Kerry, who is here on a visit.

The American senator expressed his joy to return to Vietnam at a time when the two countries have made new progresses in their bilateral relations and in their endeavour to resolve humanitarian issues of both sides.

He affirmed that he will continue his positive contribution to the process of normalisation of the two countries.

For his part, Mr. Do Muoi hailed Senator John Kerry's important contributions to the improvement of the Vietnam-USA relations and the promotion of the mutual understanding between the two peoples in the interest of peace, cooperation and development in the world.

He reaffirmed Vietnam's continued close cooperation with the United States in resolving remaining cases of MIA's and Vietnam's readiness to promote its multifaceted cooperation with the United States in the interest of the two countries and in conformity with the general trend of the present time.

Vo Van Kiet Stresses Ties With U.S. Senators

BK1511152594 Hanoi VNA in English 1501 GMT 15 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 15—Prime Minister Vo Van Kiet received here this afternoon a visiting delegation of Senators of the United States led by Senator Mr Christopher Samuel Bond.

At the reception, Prime Minister Kiet welcomed the US senators' visit to Vietnam, describing it as a contribution to the promotion of the process of nomalisation of the Vietnam-US relations and said that since the lifting of the US embargo against Vietnam, the relations between the two countries have seen many progresses. He also affirmed Vietnam's readiness to expand its cooperative ties with the US business people like other business people elsewhere in the world.

On the normalization of the relations between Vietnam and the United States, the Prime Minister stressed that Vietnam is pushing up its activities with a view to creating favourable conditions for the normalisation of these relations, and that Vietnam is ready to, together with the US side, solve the remaining issues of the bilateral relations for an early normalisation. He hopes, he said, the US senators will make positive contributions to the pushing up of the normalization of the relations between Vietnam and the US for the interests of both sides.

He also reaffirmed Vietnam's consistent policy to cooperate with the US side in seeking Americans who were missed in the Vietnam War and said that the normalisation of the relations between the two countries will create more favourable conditions for the Vietnam-US cooperation in this issue.

For his part, Senator Christopher S. Bond thanked the Vietnamese Prime Minister for his hospitality. The delegations visit, he further said, is to inquire into opportunities to resolve issues of common concern with a view to promoting the process of normalisation of the relations between the two countries. The senators in the delegation and many other senators support the American president's steps towards that normalisation in the interest of each country and of peace and progress in the world, he stressed.

Vo Van Kiet Receives San Francisco Mayor

BK1511043094 Hanoi VNA in English 1434 GMT 14 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 14—Prime Minister [P.M.] Vo Van Kiet received here today the mayor of San Francisco, and his wife who are on a visit to Vietnam.

Chairman of the Vietnam Chamber of Commerce and Industry Doan Duy Thanh and officials and leaders of big companies from San Francisco were also present at the reception.

The mayor said that visiting the recent 'Vietexpo 94-San Francisco USA', the Americans, especially the inhabitants of San Francisco, enjoyed the Vietnamese goods very much, first of all wooden furnitures, embroideries and coffee. He expressed his wish that Vietnam and the US will look forward to the future, promoting their cooperation for the interests of their own.

For his part, P.M. Kiet welcomed the mayor's visit, describing it as a contribution to the enhancement of the friendly relations and cooperation between the two countries. He spoke of the Vietnamese people's wish to develop cooperative ties with the American people, and said he believed that the economic-commercial exchanges between Vietnam and San Francisco, California and the US as a whole would be further developed.

Canadian Prime Minister Arrives for Visit 16 Nov

BK1611121594 Hanoi Voice of Vietnam in English 1000 GMT 16 Nov 94

[FBIS Transcribed Text] Canadian-Vietnamese relations enters a new phase today with the arrival of Prime Minister Jean Chretien on an official 3-day visit, during which he will meet President Le Duc Anh, Party Leader Do Muoi, Prime Minister Vo Van Kiet, and other Vietnamese senior leaders.

The Canadian prime minister's entourage includes the secretary of state for Asia-Pacific affairs [title as heard], Mr. Raymond Chan; minister for international trade, Roy MacLaren; and a 12-member delegation of officials and representatives of the Canadian business community and media.

Talks held during the visit will revolve around strengthening political and commercial links and also development cooperation between the two countries.

Canadian Trade Office Opens

BK1611102594 Hanoi VNA in English 0624 GMT 16 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov 16—A ceremony to open the Canadian Trade Office was held in Ho Chi Minh City yesterday.

Present at the function were Mr. Pham Chanh Truc, vice-chairman of the People's Commitee of Ho Chi Minh City, and Mr. Roy MacLaren, minister for international trade of Canada, and many Canadian businessmen who are on a visit to Vietnam together with the minister.

The office is an extension of the Canadian embassy in Hanoi and is placed under Mr. Robert McDowell. It will help foster the growing trade and investment links between the two countries.

Newspapers Hail Visit

BK1611101894 Hanoi VNA in English 0655 GMT 16 Nov 94

[FBIS Transcribed Text] Hanoi VNA Nov. 16—The official state visit to Vietnam by Canadian Prime Minister [PM] Jean Chretien from Nov. 16-18 is an important event marking a new step and creating an impetus for further development of the friendship and cooperation between the governments and peoples of Vietnam and Canada.

This is the view of the dailies NHAN DAN and QUAN DOI NHAN DAN contained in their editorials today to mark the visit, the first ever by a Canadian PM since the two countries established diplomatic relations in 1973.

The papers review the relationship between Vietnam and Canada in the past years, especially Canada's assistance to Vietnam. Since 1990, Canada has provided more than USD 30 million in development aid to Vietnam to facilitate reform as well as development of transportation, science and technology, and training, they say, adding that Canada has also helped Vietnam improve relations with international financial-monetary institutions and supported the latter's participation in ASEAN and regional forums.

Bilateral trade in 1993 is still modest at USD 30 million and investment by Canadian corporations in Vietnam stood at only USD 120 million, however the Canadian government believes Vietnam is an important potential market in Southeast Asia, the papers add.

They recall the signing of an economic cooperation agreement and a development cooperation agreement during the visit to Canada by Vietnamese Deputy PM Phan Van Khai in June 1994 and say that other agreements are currently under negotiation in order to lay the foundation for further expansion of cooperation in other fields.

They express the wish of the Vietnamese Government and people to expand the friendly and cooperative relations with Canada in the interests of the two nations in conformity with the trend for peace and stability in the region and the world as a whole.

In conclusion, the papers wish the visit by PM Jean Chretien good success and affirm that it will open a new chapter in the Vietnam-Canada friendship and cooperation, contributing to peace, stability, cooperation and development in the Asia-Pacific region.

Vo Van Kiet Receives Burmese Minister

BK1511043394 Hanoi VNA in English 1440 GMT 14 Nov 94

["P.M. Vo Van Kiet Receive Myanmar Border Development and Nationalities Minister"—VNA headline]

[FBIS Transcribed Text] Hanoi VNA Nov. 14—A delegation of the Ministry of Border Development and Nationalities led by its Minister Maung Thint paid a working visit to Vietnam from Nov. 9 at the invitation of the Vietnamese Committee for Mountainous Areas and Nationalities.

The delegation paid a floral tribute to President Ho Chi Minh at his mausoleum, called at his home and office, laid wreath at the Vietnamese Monument for Heroes and Fallen Combatants.

Minister Maung Thint had working sessions with Minister, head of the Committee for Mountainous Areas and Nationalities Hoang Duc Nghi, Foreign Minister Nguyen Manh Cam, Defence Minister Doan Khue, and visited the northern provinces of Lang Son, Quang Ninh, and Hoa Binh.

At the working session, the two sides informed each other of the situation in the border, mountainous areas, in their respective countries, and agreed to cooperate and assist each other in planting other trees instead of opium poppy discussed, measures to prevent the storing, exchanges and use of drug in mountainous and border areas.

This afternoon, Minister Maung Thint paid a courtesy visit to PM [Prime Minister] Vo Van Kiet. He conveyed the P.M. the greetings of the president of the Federal Council of Order and Law Restoration [as received], Gen. Than Shwe, and expressed his pleasures at the fine results of his Vietnam visit. He highly appreciated the steps of development in the traditional, friendship and cooperation ties between Myanmar [Burma] and Vietnam since the official, friendship visit to Myanmar by P.M. Vo Van Kiet last May. He expressed Myanmar's wish to cooperate with Vietnam for mutual benefit, for peace, stability, and development in the region as well as in the world.

P.M. Kiet hailed and highly valued the fruitful results of the current Vietnam visit of the minister, which, he described as an event of significance in the development of the trustful relations between Vietnam and Myanmar.

Indian Army Delegation Meets Defense Officials

BK1511062594 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 14 Nov 94

[FBIS Translated Text] At the invitation of the Vietnamese Ministry of National Defense, a delegation of the Indian Army led by Major General Surindernath, first deputy chief of staff of the Indian Army, paid a visit to Vietnam in early November 1994.

While here, the delegation paid a floral tribute to President Ho Chi Minh and exchanged views and had working sessions with the General Staff of the Vietnamese People's Army [VPA]. It was warmly received by Senior General Doan Khue, minister of national defense; Senior Lieutenant General Dao Dinh Luyen, chief of the VPA General Staff; and Deputy Foreign Minister Nguyen Di Nien. The Indian Army delegation also visited some VPA units and schools, the Cu Chi underground tunnel network, and a number of economic and cultural establishments in Hanoi and Ho Chi Minh City.

Decree Specifies Duties of New Committee

BK1511073694 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Nov 94

[FBIS Translated Text] On 9 November, the prime minister signed Decree No. 181-CP regarding the functions, duties, powers, and organizational structure of the Government Cadres Organization Committee [GCOC]. The GCOC is a government agency whose responsibility is to exercise its state management duties and powers over ministries and those agencies at the corresponding level. It also has a number of specific duties, including:

—Enforcing government draft laws, orders, and legal documents on the state apparatus, on the renovation of the national administrative system involving civil servants and state employees, on the establishment and operations of mass and nongovernmental organizations, on the demarcation of territorial borders, and on the archival storage of national documents.

—Drafting plans for government organizational structures, such as setting up or deactivating ministries or agencies at the corresponding level, so the government can present them to the National Assembly for approval.

—Examining the possibilities and asking the government to stipulate the duties, powers, and organizational structures of various ministries and agencies at the corresponding level, government agencies, and other state management organizations under the jurisdiction of the government and the prime minister; and deciding on the organization and activities of specialized organs under provincial or city people's committees.

—Inspecting and supervising the observance of law and government policies by state organs, mass organizations, social organizations, and citizens in areas under its responsibility.

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